AFRICA RECOVERY

United Nations Department of Public Information Vol. 10 No. 3 December 1996

Africa greets new debt relief deal with praise and caution

IMF

World Bank President James Wolfensohn (left) with Mr. Mohamed Kabbaj (centre), Morocco's Finance Minister and chair of the Development Committee, and IMF Managing Director Michel Camdessus.

*By **Nii K. Bentsi-Enchill***
Washington, DC

The latest plan to lighten the debt burdens of up to 41 mainly African countries gained final approval at the 1-3 October joint annual meetings of the World Bank and International Monetary Fund (IMF) in Washington. But in welcoming the Heavily Indebted Poor Countries (HIPC) Debt Initiative, African finance ministers warned that the criteria for eligibility "are too stringent" for many African countries.

Uganda, Burkina Faso and Mali could be the first to enter a process in which multilateral, bilateral and commercial creditors bring a country's debts to "sustainable" levels through rescheduling, cancellation and tough adjustment policies. But some practical aspects of sharing the costs of the $5.7-7.7 bn plan among all the creditors are yet to be settled.

Some analysts, including non-governmental organizations (NGOs), argue that the promised debt relief will fall far short of the needs of the countries concerned. Using World Bank data, they say the plan will at best cancel only 6.4 per cent of the debts described by the Bank and Fund as "unsustainable" (see pages 14-16).

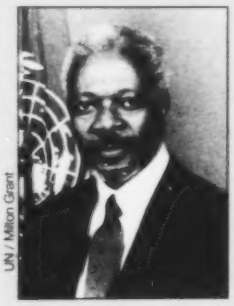
World Bank President James Wolfensohn said that the launch of the plan is "great news for the poor of the world," but joined IMF Managing Director Michel Camdessus in warning that it is neither a panacea nor a free lunch. Instead, they said the plan is a comprehensive "methodology" for helping heavily indebted poor countries that demonstrate their ability to manage resources prudently in Bank/Fund-

turn to page 16

Kofi Annan elected new UN Secretary-General

Mr. Kofi Annan of Ghana, Under-Secretary-General for Peace-keeping Operations, was appointed the seventh Secretary-General by the UN General Assembly on 17 December, following the unanimous recommendation of the Security Council. His term of office is from 1 January 1997 to 31 December 2001.

To some, Mr. Annan's appointment as the first sub-Saharan African to head the United Nations was a reminder of the role Ghana played in the movement for African independence from colonialism. On behalf of the African Group, Ambassador Daniel Abibi of Congo said "the great news" of Mr. Annan's appointment "has traversed our deserts, our savannahs, our forests. This is a great day for the sons of Africa."



UN / Milton Grant

Outlining the challenge before the "new, post-Cold War United Nations," Mr. Annan told the General Assembly that old approaches to "the problems of peace and security among nations and social justice for their peoples" must be broadened.

"A new understanding of peace and security must emerge" that recognizes the "many roots of conflict, the economic base of stability, and the grim truth that intolerance, injustice and oppression... respect no national frontiers." He said that sustainable economic development is not merely a matter of projects and statistics,

turn to page 32

Safeguarding the rights of working children

UNICEF calls for an end to hazardous child labour

*By **Mark Thomas***

Calling for hazardous child labour to be "left behind, consigned to history as completely as those other forms of slavery it so closely resembles," *The State of the World's Children 1997* report offers new insights into the complex and controversial issues surrounding the exploitation of working children. Perhaps on no other continent are children as threatened by exploitative labour as they are in Africa, where one out of every three children is estimated to be working.

Special Report

ECA conference: reviving private investment in Africa

Pages 17-21

The report, one of the United Nations Children's Fund's (UNICEF) annual flagship publications, was launched by UNICEF Executive Director Carol Bellamy on 11 December at the organization's headquarters in New York. Ms. Bellamy said the report is UNICEF's contribution to the growing international momen-

turn to page 8

Best copy available

AFRICA RECOVERY

United Nations
Vol. 10 No. 3 December 1996

Cover Story

Africa greets new debt relief deal with praise and caution

New debt deal for the poorest countries 14-16
How the debt initiative works 14

Special Report

ECA conference: Africa ready to boost private investment

Also in this Issue

Safeguarding the rights of working children 1
Reconciliation crucial for Great Lakes region 3
Peace-keeping: learning the lessons
Africa pursues goal of food security 6
Social progress key to Africa's growth 12
New investment rules cause concern 22
Micro-credit: a weapon against poverty 24
Habitat II declares housing a human right 26

Interviews

The impact of armed conflict on children: interview with Graça Machel 10

A soldier for social progress: Mali's former president Amadou Touré 13

Departments

Agenda 29
Books 29

Baobab 28
Briefs 30
Watch 32

Africa Recovery is published in English and French by the Library and Publications Division of the United Nations Department of Public Information, with support from UNDP and UNICEF. Its contents do not necessarily reflect the views of the United Nations or the publication's supporting organizations. Material from this newsletter may be freely reproduced, with attribution.

Correspondence should be addressed to:
The Editor, Africa Recovery,
Room S-931, United Nations, New York 10017 USA
Tel: (212) 963-6857 Fax: (212) 963-4556 Fax/Modem: (212) 963-1193
e-mail: unafrica@undp.org

Subscribe to *Africa Recovery*

Annual subscriptions are available to individuals for $20 and to institutions for $35. Please send an international money order or make cheques payable in US dollars, drawn on a US bank, to the "Africa Recovery Trust Fund" and send to Circulation at the address shown above. For those who lack the means to pay the subscription fee, a limited number of complimentary subscriptions are available. Please send a clearly written application to the editor.

Editor-in-Chief
Salim Lone

Managing Editor
Mark Thomas

Deputy Editor
Nii K. Bentsi-Enchill

Staff Writer
Margaret A. Novicki

Editorial Assistant
Frehiwot Bekele

Production
Parvati McPheeters

Circulation
Alice Wairimu Kariuki

Africa Recovery is printed on recycled paper.

Reconciliation crucial for Great Lakes

Julius Nyerere says African governments now ready to push for peace and democracy

By **Ahunna Eziakonwa**

Africa is changing. Its leaders will no longer sit and watch Africans being slaughtered either by a minority or a majority group, said Mr. Julius K. Nyerere, former President of Tanzania and chief facilitator for mediation efforts in the Great Lakes region. Speaking at an International Peace Academy (IPA) round table at the United Nations on 3 December on the crises in the Great Lakes region, the political thinker and statesman offered captivating insights into the tragedy of central Africa. "I cannot think of anyone with a deeper understanding of the region," said IPA President Olara Otunnu of Mr. Nyerere, who is often addressed as "Mwalimu," Swahili for "teacher."

The latest major events were the return home in October of as many as 700,000 of the estimated 1.1 million Rwandan refugees who had been living in eastern Zaire and some 300,000 from Tanzania in December. The current crisis stems back to the genocide of 1994, when extremist Hutu militiamen and the Hutu-led army massacred nearly one million Tutsis and moderate Hutus. "The world sat down then and did nothing," Mr. Nyerere charged. "Africa sat down and did nothing."

Today, he said, African leaders will no longer allow the principle of "non-interference in the internal affairs of a member state" — observed for years in the Organization of African Unity as "a piece of religion" — to hinder them from intervening in such cases of extreme brutality. This new position, he noted, was best demonstrated by the decision of East African states to impose economic sanctions on the regime of Burundian President Pierre Buyoya, which overthrew democratically elected President Sylvestre Ntibantunganya in a military coup in July, ending a power-sharing agreement between the political parties.

But the imposition of sanctions on the landlocked country devastated by a three-year conflict has its critics. In an earlier interview with *Africa Recovery*, Burundi's Ambassador to the UN, Nsanze Terence, branded the sanctions "an illegal and immoral act against innocent citizens." He maintained that the action of the neighbouring states reflects a double standard, because although they expressed an interest in abating the crisis, they decided on a course of action that only worsened the situation. He claimed that the consequences of the sanctions were killing more Burundians than the fighting.

Mr. Julius K. Nyerere (left) and Mr. Olara Otunnu, president of the International Peace Academy (IPA), arriving at the IPA sponsored roundtable discussion on the Great Lakes crisis.

Challenging the former Tanzanian president on the appropriateness of the sanctions, Mr. Terence argued that the coup was justified because Burundians had voted on ethnic lines during the 1993 elections that brought Mr. Ntibantunganya to power. However, Mr. Nyerere promptly dismissed this view, pointing out that Mr. Buyoya, a Tutsi (only 15 per cent of the population), got 36 per cent of the votes, clearly indicating that the majority of his voters were Hutu. "You should be proud of the political behaviour of your people," he told the ambassador. "Never denigrate the Burundians: they deserve better leadership."

Mr. Nyerere said that although sanctions presented a dilemma, they were a necessary tool to help Burundi solve its problems. He noted that Burundians had been suffering since independence in 1962, when Tanzania first received refugees from there. "It has got to end," he declared. "Don't believe that the solution will come from clinging to minority power and suppressing the Hutu — that if you had enough arms, you could kill all the Hutus and the Tutsi will rule forever."

The position in Burundi has changed, he continued, and more importantly, the position of its neighbours has changed. "They will no longer allow military rulers on their borders." He noted that the sanctions were not only affecting Burundi, but that the participating countries were paying in different ways as well. Tanzania was losing the equivalent of $2 mn a month as a result of the sanctions. "So don't scream," he told Mr. Terence. "We are doing it to help you."

Imposing sanctions, he maintained, was an attempt to get the parties to talk, and it was up to them to act responsibly so that the sanctions could be lifted. He pointed out that even though President Buyoya had restored parliament — one of the conditions for lifting the sanctions — he did so after suspending the constitution. Information reaching neighbouring states confirmed that he had continued to harass Hutu members of parliament, particularly the Speaker. Similarly, the ban on political parties had been lifted, but with an injunction that prevented them from holding rallies. "That is like saying you have restored the Catholic church, but no Masses can be said."

Turning to Zaire, Mr. Nyerere described the problem there as a purely political one, pointing

out that Mr. Laurent Désiré Kabila, the self-proclaimed leader of the newly formed Alliance of Democratic Forces for the Liberation of Congo-Zaire (ADFL), had been in rebellion against President Mobutu Sese Seko's government since the 1960s. He added that Zairians of ethnic Tutsi origin joined the rebellion last October after Zaire attempted to expel them under a law introduced in 1981 to strip them of their nationality even though ancestors settled in the territory over two centuries ago. Zaire's action, he maintained, was in violation of the OAU Charter, which provides that colonial borders, artificial as they are, be recognized and preserved. When Africa was partitioned, he said, families and clans were divided between countries. In the case of the Masai, for instance, 40 per cent went to Kenya and 60 per cent stayed in Tanzania. "Tanzania can't just tell its Masai to go to Kenya .... They have never been there, they are not Kenyans, they are Tanzanians." Africa, he stressed, cannot afford a trend that maintains the colonial borders but disrespects the people within those borders. "It is simply too dangerous," he argued.

The Zairian permanent representative to the UN, Mr. Lukabu Khabouji N'zaji, invited Mr. Nyerere to consider his responsibility for the present crisis in Zaire, given his alleged military support for former rebels like President Yoweri Museveni of Uganda, who then helped Vice-President Paul Kagame of Rwanda, who in turn supported Mr. Kabila, who was known to have lived in Tanzania as a refugee. Mr. Nyerere admitted that Mr. Kabila was once a refugee in Tanzania, but denied having helped him in his political struggle.

Mr. Nyerere said he would gladly seek international assistance for Zaire if it wanted to deal with the problem of the continued presence of former Hutu militiamen, warning that "you can't have armed refugees on your territory and not expect trouble." He reported that leaders of neighbouring countries meeting in Nairobi in November issued a commu-

Rwanda makes progress on rebuilding the nation

Ambassador Gideon Kayinamura

When the Rwandan Patriotic Army (RPA) took power in 1994, it inherited virtually empty coffers, dilapidated institutions, 35 camps of internally displaced people and a population decimated by genocide and the exodus of millions. Some 70 per cent of the remaining population were women, 60 per cent of whom were widowed. The country now has to deal with the return of approximately one million refugees. Mr. Gideon Kayinamura, Rwanda's ambassador to the UN, told *Africa Recovery* that Rwanda had always believed that a solution to the crisis was not possible as long as large numbers of Rwandans were massed outside its borders.

Before their exodus in December, some 300,000 Rwandan refugees crowded the Benaco Camp in the remote Ngara district in Tanzania.

Ambassador Kayinamura said that by mid-1996 the government had successfully resettled and reintegrated nearly 2 million returnees and internally displaced people. And although the latest surge of returnees was a challenge, it was one the country was determined to face. Already, he said, the government, with the support of civil society and the international community, has made real progress in preparing for reconstruction: the civil service is being rebuilt, the judiciary and parliament are being rehabilitated, and the economy is picking up markedly. The coffee and tea industries, Rwanda's main exports, have been rehabilitated, and by June 1996 agricultural output had reached about 70 per cent of pre-war levels. Inflation had fallen from 70 per cent in 1994 to 4.6 per cent last September. Ambassador Kayinamura said progress largely resulted from "prudent and efficient economic management by committed Rwandans."

In light of the changing situation in Zaire, the government opposed the establishment of a multinational force in the region, arguing instead for a multinational initiative to help with the reintegration of returnees and the rehabilitation of social infrastructure. Presenting its emergency programme for reintegration and resettlement to major donors, multilateral organizations and international agencies at a 23 November meeting in Geneva, the government invited a core group of interested donors to assist in monitoring the implementation of the agreed priorities, including housing, justice and security. Donors expressed strong support for Rwanda's emergency programme and described specific additional contributions that were being made to relief and reintegration efforts.

As the returnees poured into the country in November and December, the government asked Rwandans who were residing in the returnees' homes to vacate them within 15 days, and began to set up transit centres in communes to accommodate both homeless returnees and residents displaced by the returning owners. Ambassador Kayinamura said that as of the beginning of December, 80 per cent of the returnees had gone back to their homes. He said the government also launched a programme on 5 December to mobilize all Rwandans to help build new houses for those returnees whose houses had been destroyed. He noted that 800 houses had already been built in one commune. Human rights observers in the country have confirmed that the government is sticking to its pledge to ensure the swift, safe and peaceful reintegration of refugees and to avoid making arbitrary arrests.

At a Canadian-led follow-up meeting held in Kigali on 13 December, donors discussed the priorities for reintegration and mapped out concrete steps to be taken to address the issue.

niqué supporting an earlier decision by the UN Security Council to deploy a multinational force in eastern Zaire, and to assist in the repatriation and reintegration of refugees and displaced persons in the region.

Meanwhile, the swiftness of the exodus of refugees which began 13 October, after the Zairian rebels launched attacks on the major camps, sending over half a million refugees returning to Rwanda, and some to Burundi and Tanzania, ended the possibility of a military operation as originally conceived by Canada and other contributing countries. Instead, diplomats from 14 countries meeting in Ottawa on 29 November decided on a limited relief mission that could airlift food to the refugees — a move that has been strongly opposed by the Zairian government. The mission's mandate was still uncertain at the beginning of December as the numbers and condition of refugees still trapped in the Zairian forests remained unclear. But aid agencies, including UN specialized agencies under the coordination of the Department for Humanitarian Affairs, continued to mobilize resources and manpower to address some of the region's pressing humanitarian challenges.

Ultimately, the problems of the region, said Mr. Nyerere, have little to do with ethnicity and more to do with the economics of land and resources. He explained that Rwanda and Burundi, unlike many African countries which emerged as collections of tribes at independence, were single entities. There were the Barundi in Burundi and the Banyarwanda in Rwanda, speaking the same language, sharing the same culture and worshipping the same gods. Ethnic divisions emerged only after Africa's partition and short-sighted colonial policies that favoured the Tutsi over the Hutu. "When you are squeezed," he said, "you want to identify the squeezer."

Any lasting solution to those countries' problems, he emphasized, would first have to take into account the fact that Tutsis and Hutus are both driven by genuine fear and resentment. Burundi's Tutsis watched the Hutu genocide of Rwanda's Tutsis, leading them to conclude that a Hutu-led government in Burundi could mean genocide. As a result, they have denied Hutus their democratic rights. The Hutu majority, resenting the fact they could not exercise democratic rights on their own land, resorted to violent rebellion. Reconciliation, he suggested, would come through a gradual process of building a representative government and army. He also called for the countries to be assisted to belong to the East African community.

Despite the setbacks, Mr. Nyerere assured the audience that he is not about to give up and is convening more meetings, with the hope of getting negotiations in Burundi started. ■

UN peace-keeping: learning the lessons

Identifying the lessons of UN peace-keeping operations and how they can be implemented to improve present and future efforts is the focus of a newly established Lessons Learned Unit in the UN Department of Peace-keeping Operations (DPKO). No evaluations of peace-keeping operations had been made since they began in 1948, according to the head of the unit, Mr. Leonard Kapungu, while new operations have been planned, conducted, managed and terminated without rectifying mistakes. "As a result," he said, "we planned the Somali operation as if the Congo operation was never established."

The unit examines peace-keeping operations in their conceptual, planning and operational stages, draws out lessons, and recommends future strategies. This will offer the UN and its partners a unique opportunity to exchange knowledge and information about strategies and programmes for peace-keeping. In addition, it will help to influence future UN peace-keeping missions, DPKO, the Secretariat as a whole and UN specialized agencies. The unit's studies are also made available to member states and the Security Council.

Many of the unit's studies have concentrated on Africa. As Mr. Kofi Annan, then UN Under-Secretary-General for Peace-keeping Operations, noted at a September High-level Symposium on Conflicts in Africa, the continent has been a "crucible of conflict" in the 20th century, "posing questions, demanding answers, and necessitating many modifications in the way the international community addresses conflict in general."

A *Handbook for Lessons Learned from Peace-Keeping Operations* — part of a series of reports released by the unit — underscores six key elements for carrying out successful peace-keeping operations: a clear, realistic and practicable mandate; adequate means to match the mandate; well-informed and integrated planning; better coordination between different components; the political will of the parties to settle the conflict; and effective public information capacity. "Fielding an operation without any of these is a recipe for disaster — providing them all is an invitation to success," Mr. Annan said.

According to *Lessons Learned from the Somali Operation*, a comprehensive report that was co-authored by the unit, the mandate of the UN Operation in Somalia (UNOSOM) was vague, changed frequently during the process and was open to myriad interpretations. As a result, UNOSOM was "bedeviled with disagreements among the various players."

Equally crucial to a successful peace-keeping operation, the report notes, is the political will of the local parties to settle the conflict. Mr. Kapungu said it was unfortunate that this element was often not taken into account in judging the performance of peace-keeping operations. "People are eager to blame the UN or member states, but rarely do we hear of the role of the local parties. The responsibility for the settlement of any dispute belongs to them — not to the UN," he said.

Mr. Kapungu noted that a mission that is not backed by adequate resources is doomed to fail. He admitted to *Africa Recovery* that this lesson was yet to be fully learned because, in reality, the amount of resources given to an operation is usually determined by the interests of powerful member states in ending a conflict. The UN Angola Verification Mission (UNAVEM), for example, was at one point provided with more troops than the situation required because there was an interest in ending the conflict. The UN Assistance Mission in Rwanda (UNAMIR), on the other hand, suffered because fewer member states saw the country as a major point of interest.

Another report by the unit, *The Status of the Implementation of Lessons Learned from Peace-Keeping Operations*, indicates that most of the lessons identified by the unit are already being implemented. Among others, it points to the establishment of a framework for cooperation between DPKO, the Department of Humanitarian Affairs (DHA) and the Department of Political Affairs (DPA), taking into account the multi-disciplinary nature of new operations.

Africa pursues goal of food security

World Food Summit declaration recognizes 'fundamental right' to be free from hunger

By ***Daphne Topouzis***
Rome

Recognizing "the fundamental right of everyone to be free from hunger," the representatives of some 100 countries gathered at the World Food Summit in Rome on 13-17 November to give new impetus to the struggle against food insecurity.

That effort, the participants concurred, entails more than simply increasing food production or providing timely relief aid at moments of crisis. "It also requires," Mozambican President Joaquim Chissano told the conference, "the adoption of adequate policies to pursue development in a sustainable manner, particularly in rural areas, through steady investment in human resources and through rational use of natural resources."

Coming at the same time as the massive humanitarian crisis in Africa's Great Lakes region, the summit, which was organized by the UN's Food and Agriculture Organization (FAO), was confronted in an especially dramatic way with the particular problems of Africa, the only region in the world where the proportion of people suffering from undernutrition is rising (see box). That crisis also helped highlight the complex geo-political, economic and social factors that often aggravate food insecurity.

Beyond such local conflicts, participants noted that certain global trends also have made the plight of the hungry more precarious. These include a fall in world grain stocks to their lowest level in 20 years, making emergency responses more difficult, and a rise in world food prices, which has pushed up the food import bill of less developed countries by $4 bn this year and prompted a number of African delegates in Rome to criticize the impact of trade liberalization.

"At the global level," noted Zimbabwean President Robert Mugabe, "serious imbalances exist in the management of accessibility to food. A dramatic contrast exists between some nations battling with shortages causing famine whilst others struggle with surpluses."

In a similar vein, FAO Director-General Jacques Diouf, from Senegal, noted that the organization's annual budget (which has been declining) currently amounts to "less than what nine developed countries spend on dog and cat food in six days and less than 5 per cent of what the inhabitants of one developed country spend each year on slimming products to counter the effect of overeating."

FAO

FAO Director-General Jacques Diouf: Summit achieves a global consensus on food security.

General consensus, but few specifics

Despite disagreements on certain issues, the summit participants reached a general consensus on the types of commitments needed to ensure that "all people, at all times, have physical and economic access to sufficient, safe and nutritious food," as specified in the Rome Declaration on Food Security. According to these commitments, food security depends above all on improving access to food, increasing the food purchasing power of the poorest, reducing inequality, eradicating poverty and promoting sustainable production. In addition, as essential preconditions for achieving food security, the delegates recognized the importance of peace, domestic stability, good governance and respect for human rights.

However, the Rome Declaration and the Plan of Action were criticized by many participants for being vague and for failing to include any specific financial commitments for achieving the summit's agreed goals. In the difficult pre-summit negotiations, a number of donor countries, especially the US, pressed hard to keep out any specific funding targets.

The outcome, said Mr. John Seaman of the Save the Children Fund, "represents the new agenda of the first world," in which global responsibility for ending hunger has been replaced by the individual responsibility of each government.

Although most bilateral donors declined to make any financial commitments at the summit, the World Bank pledged to do more. Admitting that the Bank had allowed financing for agriculture and rural development to slip from more than $6 bn in 1986 to $2.6 bn in 1996, Bank President James Wolfensohn promised to place agriculture back at the top of its agenda. "We are prepared to provide global leadership in this endeavour and to build stronger partnerships within the international community to integrate rural issues into development strategies," he told the summit delegates.

In response to aid constraints, some summit documents proposed that creditor countries offer "debt-for-food security" swaps, similar to the debt-for-nature swaps that have been used in a number of countries to finance environmental projects. Under such an arrangement, creditors would cancel some foreign-exchange debt obligations of countries if they agree to use the corresponding amount in local currency to finance food-for-work, school feeding or other food security programmes.

Along with other participants from developing countries, South African Deputy President Thabo Mbeki urged a more equitable distribution of "knowledge, capital and technology" from the North to the South to meet the challenge of world food security.

Increased food production, better distribution and reduced social inequality are vital to food security.

Controversy on trade

The role of agricultural trade and the impact of trade liberalization on food security stirred considerable controversy among summit participants. "Linking food security with trade, as done in this summit, has added a new, important dimension to the debate," Ms. Paulina Elago, Namibia's Director of International Trade, told *Africa Recovery*.

One of the commitments in the Plan of Action calls for ensuring "that food, agricultural trade and overall trade policies are conducive to fostering food security for all through a fair and market-oriented world trade system." But delegations interpreted this in different ways.

Irish Prime Minister John Burton, current President of the European Union, argued that market-oriented trade policies are a precondition to building adequate and reliable food supplies and that the resulting economic gains are more than sufficient to compensate food-importing developing countries for any rise in world food prices. In a similar vein, US Agriculture Secretary Dan Glickman stressed that "free and fair trade promotes global prosperity and plenty." However, European Commissioner DJ. Franz Fischer acknowledged, "We all know in our heart that simply liberalizing the agricultural market cannot be the only answer, because there are many people who cannot pay."

African delegations and non-governmental organizations (NGOs) strongly contested the notion that trade is a key element in achieving world food security. As long as developed countries continue to subsidize their own farmers, said Ghana's Food and Agriculture Minister Steve Obimpeh, "free trade is really working against us." President Henri Konan Bédié of Côte d'Ivoire denounced the "intolerable deterioration" in developing countries' terms of trade, calling for trade based on justice and equity, with fair prices for raw materials, increased emphasis on technology transfers and the right of countries to protect their nascent industries.

Some delegates felt it was significant that the Plan of Action openly acknowledges the adverse effects of trade liberalization on food-deficit developing countries and urges implementation of the compensatory measures agreed in 1994 in Marrakesh, at the conclusion of the Uruguay Round trade talks. These include increasing food aid, making more funds available for raising productivity and production, and providing easier access to credit to help net food-importing countries overcome balance of payments problems.

NGOs highlight farmers' concerns

Many NGOs were also critical of trade liberalization, which they charged often required farmers in developing countries to shift from food to export crops. "The World Trade Organization is asking African farmers to compete with developed nations when nothing is being done to build the capacity" of African small-scale farmers, Mr. Joseph Waveru of the Kenyan National Farmers Union said at a summit workshop on international trade and food security. Agrarian reform was needed to help strengthen farmers' capacities, he suggested.

In their declaration to the summit, NGOs argued, "Market forces at national and international levels have not and will not resolve the problem of food insecurity." They proposed instead an approach in which food security is based on greater political and economic decentralization, and economic reforms are agreed in consultation with civil society, including farmers' unions and other grassroots organizations.

"Everyone," the NGOs affirmed, "has the right to secure access at all times to safe and nutritious food and water adequate to sustain an active and healthy life with dignity." ■

Africa's prospects are 'grim'

For Africa, the World Food Summit held a special importance. Sub-Saharan Africa is the only region where the proportion of undernourished people has risen, rather than fallen. Over the last 25 years, the percentage of Africans without sufficient food has increased from 38 per cent to 43 per cent, according to the UN's Food and Agriculture Organization (FAO). Some 41 sub-Saharan countries are currently suffering from food deficits, with undernutrition ranging from a low of 13 per cent of the population in Swaziland to a high of 72 per cent in Somalia.

Over the same 25-year period, total food production in Africa grew by an annual average of 2 per cent, but this lagged behind a population growth rate of 3 per cent annually. "If existing opportunities for development are neglected," argued an FAO paper prepared for the summit, "the future for Africa, for both the human and natural environments, is grim indeed, and the food crisis and its social costs will only grow worse." The FAO warns that if current trends continue, there could be as many as 300 million chronically undernourished people on the continent by 2010.

There are signs of improved food security in some parts of North and West Africa. In most West African countries, national food supplies are currently generally satisfactory. According to the FAO, Burkina Faso reduced the proportion of undernourished people from 66 per cent to 41 per cent between 1969-71 and 1990-92, while in East Africa, Tanzania cut it from 60 to 38 per cent over the same period. But because of rapid population growth, the actual number of undernourished people remains high even in such countries.

Child labour

from page 1

tum against child labour, "a momentum which we hope will gather speed and strength in 1997."

The report is also a clear reflection that UNICEF has adopted the Convention on the Rights of the Child — the most widely ratified human rights treaty in history — as its "guiding force" for mobilizing public and political support for child survival and development. Among the Convention's legally binding articles is one that obligates governments to protect children "from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development."

UNICEF / Giacomo Pirozzi

Some 250 million children between the ages of 5-14 are working in the developing world.

The report looks at child labour "through the lens" of the Convention, and finds that "the rights of those children whose primary activity is work are, without question, in jeopardy." The report focuses on both the cause and effect of hazardous labour, including its economic, social and cultural roots; the disturbing abuses that millions of children suffer while working; and the key initiatives under way to end "a betrayal of every child's rights as a human being."

The poverty factor

Not all work is hazardous to children, and the report notes that some can even be beneficial. But child labour is defined as "intolerable" if it involves: full-time work at too early an age; too many hours spent working; work that exerts undue physical, social or psychological stress; work and life on the streets in bad conditions; inadequate pay; too much responsibility; work that undermines children's dignity and self-esteem; or work that is detrimental to full social and psychological development.

According to the report, the exploitation of poverty, the lack of relevant education and traditional restrictions all contribute to pushing children into work. In poorer societies, the incidence of child labour is likely to increase, as is the risk that it is exploitative.

Due to the lack of reliable data, it is impossible to verify exactly how many children work around the world. However, a recent report published by the International Labour Organization (ILO) indicates that 250 million children between the ages of 5 and 14 are working in the developing world, nearly twice previous estimates, including 120 million children aged five and up who are working full-time, and another 130 million who are working part-time.

In Africa, an estimated 80 million children — about 40 per cent of those between the ages of 5 and 14 — are working. Most of these children labour in the informal sector for their families, in homes, in the fields or on the streets. The number of child labourers in Africa has increased significantly in recent years due to cuts in social sector spending under structural adjustment programmes, increased levels of armed conflict and the spread of HIV/AIDS. In Zimbabwe, government and ILO studies have linked the explosion of child labour in the country directly to the impact of its structural adjustment programme.

In the report, UNICEF notes that while some types of work — such as child prostitution and bonded labour — pose obvious hazards to the physical and emotional well-being of children, others involve less visible but equally insidious dangers.

The world's most forgotten children

The report terms child domestic workers "the world's most forgotten children" and says that they "may well be the most vulnerable and exploited children of all, as well as the most difficult to protect." Children in domestic service are often poorly paid or not paid at all; serve under conditions dictated entirely by their employers; are deprived of schooling, play and social activity, and of emotional support from family and friends; and are vulnerable to physical and sexual abuse.

In societies where children carry the burdens of household work, the report says domestic child service is not seen as being a reprehensible practice. In addition, access to such children is very difficult, and information on how many suffer physical or emotional damage, and to what degree, is "hidden behind closed doors."

The most common work for children is agricultural or domestic work within their own families. This type of work can be beneficial, and children can learn from a reasonable amount of household chores, subsistence food-growing and income-generating activities. But some families may demand too much from their children, requiring them to labour long hours that keep them from school and take too great a toll on their still-developing bodies.

In Africa, children begin helping with domestic chores well before they start school. Girls usually fetch water and firewood, while children of both sexes look after livestock and help in the fields. They also work in the informal sector of the rural economy, including traditional crafts and small trades essential to village life.

Much of this work is excluded from child labour legislation, partly due to the difficulty of policing child labour within the family. The report calls for legislation to include such work — even though the difficulties of enforcement will remain — in order to to send the message that there are limits to what can be expected of a child's labour.

Debunking the myths

The surge of interest in exploitative child labour has too often been based upon four

"myths" that UNICEF says must be confronted in order to improve understanding of the problem and to help bring an end to it:

- **Child labour only happens in poor countries:** although the vast majority of working children are found in developing countries, hazardous forms of child labour can be found in most rich countries as well. In the United States, for example, a survey of Mexican-American children working on farms in New York state in 1990 showed that almost half had worked in fields still wet with pesticides;
- **Child labour will never be eliminated until poverty disappears:** the end of hazardous child labour cannot — and must not — wait for the elimination of poverty. Although poverty is the major factor contributing to exploitative child labour, it can be eliminated independent of wider measures aimed at poverty reduction. Numerous governments are already moving against child labour, together with local activists and NGOs;
- **Child labour primarily occurs in export industries:** only a small percentage of child workers — probably less than 5 per cent — are employed in export-sector industries. Most work on farms and plantations or in houses, far from the reach of labour inspectors and media scrutiny;
- **The only way to make headway against child labour is for consumers and governments to apply pressure through sanctions and boycotts:** in reality, activists, NGOs, the media and governments in developing countries have been working for years to expose child labour abuses, develop local and national programmes and promote consumer awareness of the problem in developed countries. And while international commitment and pressure to end exploitative child labour are important, sanctions on or boycotts of export industries might help only a small percentage of working children.

"These most punishing forms of child labour violate most of the rights in the Convention on the Rights of the Child and the basic humanity of us all."

Finding solutions

The problem of hazardous child labour is so complex that multiple strategies are needed to combat it. These strategies must aim to immediately release children from the most damaging forms of work, and at the same time rehabilitate them through the provision of services and facilities, especially education. Children who cannot immediately be released will have to be protected, and their lives made as safe and conducive to development as possible.

Any strategy will also have to mobilize a wide range of allies, including governments and local communities, NGOs and spiritual leaders, employers and trade unions, and child labourers and their families.

UNICEF notes that strategies to combat hazardous child labour must begin with its logical alternative: high-quality schools and relevant education programmes to which families will want to send their children. In launching the report, Ms. Bellamy pointed out that the Convention insists that primary education must be universal and compulsory. She said that although it would cost an additional $6 bn a year to put every child in school by the year 2000, that is less than 1 per cent of what the world spends every year on weapons.

Ms. Bellamy said that "hazardous child labour will not disappear from our planet unless governments back their words with action .... If governments would deliver on the commitments they have already made under the Convention, we could be looking at a world free of child labour in the next five years." ■

Despite many obstacles, Africa makes progress on World Summit for Children goals

Progress in sub-Saharan Africa towards achieving the development goals agreed upon at 1990's landmark World Summit for Children "has been the weakest of all the regions" due to such problems as mounting debt, the continuing decline in development assistance and slow economic growth, according to UN Secretary-General Boutros-Boutros Ghali. The goals — to which 159 world leaders at the Children's Summit pledged their commitment — are aimed at reducing child and maternal mortality and ensuring that every child has access to adequate nutrition, education, clean water and proper sanitation by the year 2000.

Although sub-Saharan Africa lags behind the rest of the world, Mr. Boutros-Ghali noted in his mid-decade progress report on the goals that the region has made some significant gains despite enormous obstacles. The Secretary-General presented the report during a special meeting held on 30 September at UN headquarters to commemorate the Summit's sixth anniversary.

In his keynote address, Mr. Boutros-Ghali said the Children's Summit had "set the tone for the series of major United Nations Conferences that followed," and helped "to shape a comprehensive agenda for development into the 21st century." He said that "convincing progress" had been made worldwide since the beginning of the decade, including immunization service coverage for 80 per cent of the world's children and a sharp reduction in the number of people without access to safe drinking water.

But he also pointed out that more than 1.3 billion people now live in absolute poverty — 300 million more than in 1990 — and that children are poverty's first victims. "Cutbacks in basic social services, crushing debt burdens, proliferating armed conflicts and reductions in development assistance all deepened the problems confronting children and their families in many countries," Mr. Boutros-Ghali said.

The Secretary-General's report said sub-Saharan Africa's progress towards the goals has been inhibited by inadequate levels of public resources for social investment, vulnerability to drought and environmental degradation, the widening HIV/AIDS epidemic, instability of the political transformation process, and disruptions caused by armed conflict.

Only 5 per cent of sub-Saharan countries are on track to meet the year 2000 goal of reducing the mortality rate for children under five by one-third, or to 70 per 1,000 live births, whichever is smaller. In addition, while the goals call for a 50 per cent reduction in malnutrition among children under five, the percentage of children underweight actually increased over 1990-95, and in some countries, child malnutrition rates are as high as 40 per cent.

But the report noted that universal salt iodization is progressing rapidly in the region, with nearly 60 per cent of the population in need consuming iodized salt. Guinea worm disease also is well on its way to eradication, and the use of oral rehydration therapy to prevent dehydration and death in children suffering from diarrhoea has increased significantly since the start of the decade.

Protecting children from war's impact

Graça Machel study recommends measures to aid conflict's most innocent victims

By **Margaret A. Novicki**

Two million children have died in conflicts over the past decade: some as victims of a "general onslaught" against civilians, others in "calculated genocide." Fifteen million more have been seriously injured, permanently disabled or traumatized. Some have suffered the effects of sexual violence, others the deprivations of hunger and disease. And thousands more have been "cynically exploited" as combatants.

UN Photo/Evert

Ms. Graça Machel presenting her report to Secretary-General Boutros Boutros-Ghali

This devastating picture forms the heart of the *Report of the Impact of Armed Conflict on Children*, the result of a two-year inquiry led by Ms. Graça Machel, the Expert of UN Secretary-General Boutros Boutros-Ghali, with the support of the Centre for Human Rights and the UN Children's Fund (UNICEF). It offers a series of recommendations which aim to ensure that "children simply have no part in warfare."

In presenting the report to the Humanitarian and Social Committee of the UN General Assembly on 8 November, Ms. Machel, former First Lady and Minister of Education of Mozambique, said she was "giving voice to the millions of children who have been silenced forever in the wars of the last two decades," and those who "having survived, have no platform to make their voices heard." She also discussed its findings before UN staff and delegates and non-governmental organizations (NGOs), and addressed the Council on Foreign Relations.

"I want to make a difference in the lives of those who though physically and psychologically wounded" long to be "just children," as well as those "threatened with becoming victims of war tomorrow if we don't act effectively today," she said.

"The most comprehensive appraisal in history" of the suffering of children caught up in 27 wars around the world, according to the Secretary-General, the report was requested by the UN General Assembly in December 1993 and was written after extensive preparatory research. This included workshops in every world region, field visits to conflict zones, thematic studies by experts, discussions among eminent personalities, and consultations with governments, NGOs, opposition movements and children themselves.

Conflict prevention

All of its varied recommendations apply to the continent, Ms. Machel told *Africa Recovery*, but one of the report's major emphases, conflict prevention, "has to come to the top of the agenda there more than anywhere else." At least a third of African countries have been involved in wars or have suffered their after-effects in waves of refugees in recent years, with millions of children "caught up in adult insanity," Ms. Machel said.

In eastern Zaire alone, an estimated 650,000 children were at risk before the massive influx back to Rwanda began in November, and thousands have since died from hunger or disease, are orphaned or have been separated from their parents in the chaos of flight. Thousands more are caught up in the conflicts in Liberia, Sierra Leone and Sudan, and still more are physically or psychologically scarred as a result of the wars in Mozambique, Angola and Eritrea.

If war's root causes — "huge imbalances in political participation and in access to resources, with increasing margins of poverty" — are not addressed, said Ms. Machel, "I don't see how we can protect our children from conflict." Africans need to make better use of "our skills and our wisdom, our tradition of peaceful resolution of conflict." War should be only "the last resort," she stressed.

As the Central African crisis has amply demonstrated, although today's wars tend to be within rather than between states, their effects often spill over to engulf entire regions in humanitarian emergencies. And today, 90 per cent of conflict's victims are civilians instead of soldiers, half of whom are children. In addition, children form at least half of all refugees and displaced persons, and they are often the first to die from military attacks, land-mines, disease or lack of water and food.

Unaccompanied children are particularly vulnerable; in Rwanda, more than 100,000 children were registered as such by the end of 1994. Many had endured "unimaginable horrors." A UNICEF survey of 3,030 Rwandan children in 1995 found that nearly 80 per cent had lost immediate family members and more than a third had witnessed their murders.

The report recommends the establishment of procedures in all emergencies to ensure the survival and protection of unaccompanied children. It suggests that a lead organization be assigned overall responsibility for internally displaced persons, with UNICEF playing a lead role with regard to children.

Efforts should be made to prevent family separation, but when it occurs, family tracing should be attempted, even if only extended family members can be found. "Institutional responses," such as creating children's centres, should be avoided, and efforts made to place refugee camps far from conflict zones to prevent children's recruitment into armed groups.

Beyond simply providing "biscuits and vaccinations," according to Ms. Machel, the concept of humanitarian assistance needs to be expanded to address the psychosocial, as well as physical, well-being of war's victims. For war-traumatized children, this can best be done by attempting to reconstruct the shattered social fabric at the family and community level and provide a "sense of normalcy."

First and foremost, ways must be found to provide children with education, no matter how difficult the circumstances. Other normal

aspects of a child's world, such as sports and play, as well as culture-specific mechanisms for dealing with trauma and grief, should be encouraged to assist the healing process.

One of the most horrific aspects of today's conflicts is that children are a "very specific target," in the belief that killing a child is "to kill the enemy of tomorrow," said Ms. Machel. Children also have been conscripted into both rebel armies and government forces in alarming numbers. "They are indoctrinated, manipulated, and instead of being given a pen to learn, they are given a gun, drugged and obliged to commit atrocities," she noted.

The phenomenon of child soldiers has occurred "wherever you have the breakdown of the family and social support networks," Ms. Machel said. In these circumstances, children become much more vulnerable and are likely to follow anyone who offers a sense of security, or food, clothing and shelter. Arming children has also been made easier by the proliferation of inexpensive light weapons. In Uganda, for example, an AK-47 can be purchased for the cost of a chicken.

Ms. Machel's report recommends a global campaign to halt the recruitment of children under 18 and to ensure that all child soldiers are demobilized immediately and their needs incorporated into peace agreements and demobilization programmes. The draft Optional Protocol to the Convention on the Rights of the Child raising the recruitment age to 18 should be concluded and adopted.

The first thing that needs to be done to rehabilitate child soldiers, Ms. Machel said, is to reintegrate them into a family setting. Second, they need schools and training to develop skills "besides those of violence." Their rehabilitation can best be achieved through the combined efforts of the entire community — family and local and religious leaders — although this is often difficult.

In Mozambique, the former rebel group Renamo released child soldiers back to villages without a formal process of demobilization. Some children were able to settle back into their families and communities, but others are "on the streets, belonging to gangs." As a result, there has been a marked increase in criminality. Still others are orphaned, their entire extended family wiped out. "The family of these children is the society itself," which must take responsibility for finding substitute care-givers, she said.

"The most comprehensive appraisal in history" of the suffering of children in conflict situations, the Machel study was presented to the UN General Assembly and staff, non-governmental organizations and the Council on Foreign Relations.

Priority for women and children

Ms. Machel's study emphasizes that the needs of women and children should be given a high priority in actions to resolve conflicts and implement peace agreements, including those mandated by the UN Security Council or the General Assembly. Peace-keepers need to be made aware that they have an important role to play in promoting children's rights, her report notes.

Rape, prostitution and other forms of gender-based violence pose a continual threat to women and girls during conflict. In refugee camps in Zaire, for example, Ms. Machel was told of girls pressured by their families to engage in prostitution, and in 1992, the report said, some soldiers of the UN Operation in Mozambique recruited girls aged 12 to 18 into prostitution.

The report recommends that any soldiers or civilians who rape as a weapon of war be considered war criminals, and prosecuted accordingly. Only in Rwanda and the former Yugoslavia has rape been made a war crime. Mechanisms for reporting sexual abuse also should be put in place, and all military personnel should receive instructions on their responsibilities toward civilians. Security for women and children in refugee camps should be improved.

Africa's children are the most plagued worldwide by land-mines — there are up to 37 mn mines in at least 19 African countries and Angola alone has an amputee population of 70,000, of whom 8,000 are children.

The report urges governments to enact "comprehensive national legislation" to ban the production, use, trade and stockpiling of land-mines and support the campaign for a global ban. Mine clearance should become a part of all peace agreements, and countries and companies that have profited from the sale of mines should contribute funds for this purpose. Mine-awareness programmes for children should also be started.

In December, the UN General Assembly adopted the report's call for the naming of a Special Representative of the Secretary-General to monitor implementation and ensure that issues of children and war remain high on the international agenda.

"My report is a vibrant testimony to a global movement seeking to give visibility to children affected by armed conflict," Ms. Machel said. "Let us take this opportunity to recapture our instinct to nourish and protect our children. Let us transform our moral outrage into concrete action. Peace is every child's right." ■

Land-mine awareness class for children in Angola. There are some 37 million mines in 19 African countries.

Social progress key to Africa's growth

New investment in health and education essential, says UNDP's Human Development Report

African countries must make a major investment in human development — in boosting education, nutrition, health and family planning — if they hope to accelerate economic growth in the coming years, according to the *Human Development Report 1996*. Otherwise, the continent, which contains 37 of the 48 countries in the world ranked as "low" in human development, will remain trapped in a vicious circle: poor health, education and nutrition will continue to constrain rapid growth, in the absence of which, resources to invest in human development will remain insufficient.

An independent study commissioned annually by the UN Development Programme (UNDP), the 1996 report focuses on the link between economic growth and human development, which, UNDP Administrator James Gustave Speth notes in its introduction, is "not automatic," but must be forged "with policy and determination." For growth to be transformed into human development, including employment opportunities, a combination of governmental and private steps are needed.

In Africa's case, resources must be reallocated toward priorities which improve the lives of the majority. Military expenditure in sub-Saharan Africa, a region with 216 million people living in poverty, today totals $8 bn. UNICEF, meanwhile, estimates that the total additional annual cost of meeting basic needs in health, education, and nutrition for everyone in the region is around $9 bn.

In addition to redirecting domestic policies to achieve a "massive expansion" of basic education and health care, African countries will also need a "new level" of debt relief, better focused financial assistance, and the opening of export markets in order to accelerate development, according to the report.

The HDR notes that even governments with good intentions are hamstrung in their efforts by external demands such as debt servicing, which, over 1990-93 cost sub-Saharan Africa more than $13 bn annually, "considerably more than its combined spending on education and health."

The report notes that "failed growth" was the "dominant experience" in sub-Saharan Africa in the 1980s, in spite of social and economic advances from the 1960s to the mid-1970s. In human terms, this has resulted in a mixed picture of progress and setbacks:

- Although the net enrolment ratio at the primary level increased from 25 to 50 per cent and at the secondary level from 13 to 38 percent over 1960-91, only about one-half of entrants in grade one finish grade five, and at the primary and secondary levels, more than 80 million boys and girls are not in school.
- Life expectancy at birth increased from 40 to 51 years during 1960-93 and infant mortality dropped from 167 per thousand live births to 97 over the past three decades, but a third of the population still does not get enough to eat.

Growth/decline of per capita income
Population whose per capita income was LOWER in the 1990s than in earlier decades
Population whose per capita income in the 1990s was HIGHER than in earlier decades
= number of countries
3 OECD 20
7 Asia* 21
14 2 Arab States
20 Eastern Europe and the CIS countries
22 12 Latin America and the Caribbean
19 9 Sub-Saharan Africa
500 400 300 200 100 0 100 200 300 400 500 600 700 800
Population in millions
*Except China and India

Source: UNDP Human Development Report 1996

- The proportion of the population with access to safe water nearly doubled, from 25 to 43 per cent, over the last 10 years, but there is only one doctor for every 18,000 people.

Although many reform efforts have been launched, 20 African countries remain below their per capita incomes of 20 years ago. The HDR warns that at present rates of progress, it will take a century or more for many African countries to attain the level of human development of the industrialized world.

The report introduces the "capability poverty measure" (CPM), a means of indicating the percentage of people who lack three basic or minimally essential human capabilities: to be well-nourished and healthy, to have healthy reproduction, and to be educated and knowledgeable. African economies that have been growing rapidly, such as Botswana and Mauritius, have not shown corresponding achievements in capabilities, while Congo, Gabon, Guinea and Senegal are among the least efficient at converting income into human development. For most of Africa, however, income poverty remains so pervasive that it often exceeds capability poverty.

A critical component of human development, according to the report, is a secure livelihood, but in many African countries, jobs are lacking because growth has been too slow to generate employment, or because economic stabilization and structural adjustment have created recessionary pressures. In a "stark example," Ghana's GDP grew by 4.8 per cent between 1986 and 1991, but employment fell by more than 13 per cent over the same period.

The HDR indicates that economies which grow fairly rapidly can engineer improvements in human development, provided the government intervenes with appropriate action. In 1960, for example, Botswana and Kenya had roughly the same GDP per capita, and for the next three decades both spent an average 9 per cent of their GDP on health and education. But by 1992, Botswana's growth rate reached 6.5 per cent, compared to Kenya's 1.6 per cent; hence Botswana was able to spend five times as much per person on health and education.

For economic growth to be translated into human development, the report recommends that it should be accompanied by greater popular participation and democracy, as more open and transparent forms of governance can reduce corruption and arbitrary rule. Africa is making progress in this regard: more than half its states have been undertaking democratic reforms since the early 1990s. ■

Touré still a soldier for social progress

Mali's former president pushes for 'development in a human context'

By **Ernest Harsch**

For Africa's economic programmes to be successful, they need to pay much more attention to health, education and other vital social issues, says General Amadou Toumani Touré, a former President of Mali. "Development must be placed back within a social and human context," he told *Africa Recovery*, noting that a healthier population is able to produce more, while greater education leads to improved management and investment choices. Women's education is particularly important, since it not only broadens their opportunities, but also helps women better control their own fertility and educate their children.

Improving social conditions in Africa, as well as promoting democracy and mediating in armed conflicts, have been among Mr. Touré's prime goals since stepping down as President of Mali in 1992. It was in recognition of these multiple undertakings that Mr. Touré was named a co-winner of the 1996 Africa Prize for Leadership for the Sustainable End of Hunger, awarded annually by The Hunger Project, a US-based international non-governmental organization (NGO). Sharing the prize with him was Chief Bisi Ogunleye, a grassroots women's activist in Nigeria (see page 32).

In March 1991, at the height of widespread pro-democracy demonstrations in Mali, Mr. Touré led a coup that ended 23 years of authoritarian rule. Named president by an alliance of military officers and pro-democracy organizations, he subsequently chaired a national conference that drew up a new constitution establishing a multi-party parliamentary system. In June 1992 he handed over the presidency to Mr. Alpha Oumar Konaré, the winner of Mali's first democratic elections.

The humanitarian challenge

After leaving public office, Mr. Touré felt he required another "challenge," he told *Africa Recovery*. "I needed to carry out work in the humanitarian field." The Carter Centre, founded by former US President Jimmy Carter, soon asked him to head its campaign in Mali to eradicate guinea worm, a water-borne parasite, and to oversee the programme in more than a dozen other African countries. Thanks to this effort, Cameroon, Chad, Mauritania and Senegal are close to eliminating the malady, while Mali, Benin, Côte d'Ivoire and Togo have made rapid progress in reducing the incidence of guinea worm.

In 1993, Mr. Touré created the Children's Foundation, an NGO dedicated to improving the health and education of girls and boys in Mali. Its projects have included setting up a school for abandoned children, vaccination campaigns against meningitis and other diseases and the repair or construction of hundreds of classrooms. The foundation also conducts an educational campaign for teenagers on the risks of acquired immune deficiency syndrome (AIDS) and has promoted the construction of numerous village health centres.

Gen. Amadou Toumani Touré: fighting for children

The foundation's approach, Mr. Touré explained, is to rely as much as possible on local resources through small-scale projects. "We encourage villagers to use traditional medicines, which are less expensive but also particularly effective. We mobilize all available hands, women, young people who volunteer their labour. Many civil servants come after work. All this is a form of mobilization, whether it's financial, moral, material or physical."

The foundation also collaborates with other organizations, including the government, youth associations and local village and women's groups. This emphasis on mobilizing local resources and skills "gives an example to other partners," Mr. Touré said, helping the foundation to attract some external financial support. He has pledged to donate the $50,000 he received as his share of the 1996 Africa Prize to the Children's Foundation and other groups fighting poverty and hunger in Mali.

Hunger and malnutrition in Africa are not unavoidable, he said in his prize acceptance speech in New York. "The key is in the hands of the leaders, who must effectively exercise their leadership by adopting long-term strategies, rather than short-term 'quick fixes' that are mere survival tactics." African leaders should demonstrate stronger commitment to agriculture, he said, and "farmers should be given more of a voice in setting our agricultural policies and strategies."

Democracy and peace

For that to be possible, however, African countries need both democracy and peace, Mr. Touré stressed in the interview. He noted that while the democratic transition has been relatively successful in Mali, the introduction of similar institutions "inspired by Western-type democracy" has not always worked elsewhere in Africa.

He cited in particular countries like Burundi and Rwanda, where significant ethnic tensions and disparities make it impossible to follow the "principle of numbers" — simply counting a majority of votes. In such cases, democracy must rest more on a "principle of rights." Rather than just copying institutions from other parts of the world, Africa needs a "tropicalized" form of democracy that relies on consensus and takes into account local cultures and histories.

In conjunction with the Carter Centre, Mr. Touré has served as a mediator in efforts to resolve the complex conflicts in Burundi, Rwanda and Zaire. This draws on his own experience in Mali, where his government signed a peace pact with armed Tuareg rebel movements in 1992. That process carried several general lessons for Africa, Mr. Touré said.

To be successful, a peace settlement cannot be imposed by a few individuals, but requires great "political courage" and a willingness to mobilize many different parties, including neighbouring countries. And as reflected in programmes to improve conditions in the long-neglected northern regions of Mali inhabited by the Tuaregs, the restoration of peace also must be consolidated through energetic development efforts. ■

New debt deal for the poorest countries

Finance ministers endorse IMF/World Bank plan to achieve 'sustainable' levels of debt

By **Christina Katsouris**
Washington, DC

African finance ministers gave a qualified welcome to the debt initiative for heavily indebted poor countries (HIPC) which was launched at the World Bank/International Monetary Fund (IMF) annual meetings in early October. They applauded the possibilities offered by a comprehensive scheme to reduce debt to manageable levels. But they also warned that uncertainties over funding, tough eligibility and performance criteria and a long qualification period requiring sustained reform could result in help for too few countries, too late.

The plan is to tailor relief according to projections of each eligible country's export earnings, capital and aid inflows. But as with earlier debt relief schemes, the HIPC initiative is available to only those countries with Bank and IMF-endorsed track records of good economic management and reform.

This makes it likely that few countries will be eligible for the full relief package, and some could wait six years for it. Others will have to make do with cuts and reschedulings of a portion of their bilateral debt and debt service by the Paris Club.

Creditors will evaluate each country's performance and debt relief needs over two distinct three-year periods. During the first three years (Phase 1), a government must establish a good track record of sound economic management under an IMF enhanced structural adjustment facility (ESAF). The Paris Club will provide interim relief through annual rescheduling of debt-service, while the government keeps up with its debt payments to the Club.

In the third year of of Phase 1, Bank and IMF staff and debtor government officials carry out preliminary analysis of the country's future export earnings and other inflows and measure this against future debt service obligations. They calculate whether a 67 per cent cancellation of eligible Paris Club debt stock under the Naples terms would be enough to bring a country to "debt sustainability." This is defined as a debt-to-exports ratio of 200-250 per cent, or an annual debt service-to-exports ratio under 20-25 per cent, all at net present value.

Two major innovations mark the debt initiative. It is the first scheme to enlist all creditors — multilateral bodies, governments and commercial banks — in a case-by-case collaboration to share the costs of debt reduction. It also aims to provide an "exit strategy" to free countries from repeated and costly rescheduling by reducing their debts to levels they can service while continuing to invest in social and economic development.

If the projections show that a Naples debt stock reduction deal would help achieve sustainable levels of debt three years ahead, a country would be expected to settle for this deal, and receive no further relief.

In the case of a "borderline" country, for which it is doubted that existing mechanisms would bring debt sustainability in three years, the country can defer applying for a Naples deal, and continue its ESAF into Phase 2. The Bank and Fund staff would ask their governing boards to endorse their conclusion that a country's debt would remain unsustainable, and would circulate the analysis to other creditors. A Bank Fund mission to the country, three months before the end of Phase 1, would seek agreement with the government on the findings.

Bank Fund staff would then prepare an HIPC Board Document requesting help for the candidate. It would contain a final debt sustainability analysis, with proposals for sustainable debt-to-income ratios and for future support from other creditors. This document would then be endorsed at the end of the third year of Phase 1, known as the "decision point."

During Phase 2, qualifying countries would undergo another three years of surveillance and

How the debt initiative works

The IMF and World Bank initially costed the HIPC debt initiative at $5.7-$7.7 bn over the next decade, to be shared between bilateral, commercial and multilateral creditors.

The Paris Club of official bilateral creditors was asked to provide some $2.9 bn by raising its maximum debt stock cancellation from 67 to 90 per cent. The Club decided on 80 per cent.

Other bilateral creditors are to provide comparable levels of relief on their assets at completion point through cancellation of debt stock.

Commercial creditors have yet to define how they will operate.

The World Bank's main participation will be through a Trust Fund administered by the International Development Association (IDA). As with other multilaterals, the Bank's charter prevents it from cancelling debt, as this might damage their credit standing and raise their money market costs which would be passed on to clients. To circumvent this, the Trust Fund is "off balance sheet," so funds can be channeled through it to HIPCs. The Trust can buy and then cancel a portion of multilateral debt; it can also pay principal and interest in advance or as it falls due. The Bank will put some of its net income into the Trust Fund, starting with $500 mn (still to be paid in at the time of writing). Its Executive Board will have be asked to approve an additional $1.5 bn in coming years, "on a proportional basis with other contributors" and according to the Bank's share of a country's debt, Bank President James Wolfensohn said in October. Other multilateral and bilateral creditors will contribute to the Trust Fund. Their payments will also be used to buy back or repay debt owed to the African Development Bank, which cannot contribute because of its own financial difficulties.

The International Monetary Fund will participate mainly through its enhanced structural adjustment facility (ESAF) with a contribution of SDR 800 mn. In a radical departure, the IMF will draw on ESAF money paid into escrow accounts to provide grants and loans with longer repayment periods (up to 20 years instead of the current 10-year maximum). Practical details have yet to be clarified, but in principle, the IMF will provide money on terms that translate into real grants.

It is also a "done deal," says Managing Director Michel Camdessus, that the IMF can in future sell up to 5 mn ounces of gold to finance more debt relief, but "only when this need appears." Germany still objects, but the strong consensus of the Interim Committee in October, according to Mr. Camdessus, was that the Group of Seven invitation to the IMF to "optimize the management of its reserves" would entail selling some gold if and when needed.

more sustainability studies during which they would get exceptional grants and extra loans from the International Development Association (IDA), the Bank's concessional lending arm. These grants, an innovation for IDA which, traditionally, only provides loans, aim to help a country sustain its reform programme and meet the criteria for debt reduction. It would not be used to buy back debt. Creditors would cancel some debt only at the end of Phase 2, known as the "completion point."

Diversity of situations

The aim at completion point is to tailor relief packages to each debtor's needs. These could vary substantially, reflecting the diversity of debt profiles, range of creditors, obligations and maturities.

If a country's bilateral debt appears unserviceable at completion point, the Paris Club would agree to cancel more of its eligible debt, from the current 67 per cent up to a new maximum of 80 per cent, and non-Paris Club bilateral creditors are expected to provide comparable treatment. If the multilateral debt burden poses unbearable strains then portions of this debt would also be relieved (see box, page 14).

In consultation with an HIPC government, creditors would set the target for the country's debt ratios after debt reduction to take account of critical factors such as the country's vulnerability to fluctuating export commodity prices.

Arguing for a shorter time-frame, critics say six years is intolerably long for a country to undergo strict surveillance and highly demanding reforms, while keeping up with debt payments. And these obligations would continue to accumulate before any debt reduction. If Mozambique, for example, had to wait the full six years until 2003, its average annual debt service payments would more than triple to $190.6 mn from the $57 mn paid in 1990-95, says the UK-based Debt Crisis Network.

Some advocates call for earlier relief and a delinkage from ESAFs, and urge the IMF to set less rigid performance criteria. The difficulties of meeting IMF targets for even three years are evident in the fact that only three African countries — Uganda, Burkina Faso and Mali — have qualified for Naples debt stock reduction since the Paris Club, which uses similar criteria, began implementing Naples in February 1995.

However, the Bank and Fund make no apologies for the tough performance targets, arguing that most countries need to reform, and must show they can manage resources so effectively that they will not need to ask for further debt relief after benefiting from the HIPC deal.

They also point out that performance criteria include adequate investment in social sectors. Most importantly, the Bank and Fund say that the six-year time-frame is more of a guideline than a rigid rule and that interpretations will be flexible. For example, countries with current ESAF programmes will be considered as already in Phase 1, while countries with interrupted adjustment programmes will get some time credit for earlier progress. They emphasize the additional aid available in Phase 2, and that in exceptional cases, Phase 2 could be shortened for countries with a sustained track record.

Debt ratios of some potentially eligible African countries (1995)

Unsustainable	Debt to exports (%)	Debt service to exports* (%)
Burundi	689.2	25.2
Guinea-Bissau	1473.4	12.3
Mozambique	1388.7	23.0
Sao Tomé & Pr.	2032.9	22.1
Sudan	2908.0	0.1
Zaire	n.a.	n.a.
Zambia	556.6	31.3

Possibly stressed	Debt to exports (%)	Debt service to exports* (%)
Cameroon	321.7	16.5
Congo	489.2	51.5
Côte d'Ivoire	580.9	40.1
Ethiopia	642.4	11.7
Madagascar	520.7	7.6
Niger	617.4	26.1
Rwanda	1871.2	12.5
Tanzania	870.7	20.4
Uganda	1008.5	44.0

*Actual payments

Source: World Bank, World Debt Tables, 1996

First qualifiers

Reports indicate that debt sustainability analyses have begun for Uganda, Mali and Burkina Faso, with creditors expected to reach the decision point on Uganda by March 1997. The initial focus seems to be on reviewing the debt relief needs of these countries to see if their exceptional situation — being the only African beneficiaries of Naples debt stock reduction — will bring them to sustainability.

Sustainability analyses are also under way for Côte d'Ivoire and Mozambique, whose sound track records may qualify them for an early decision point. At the other extreme, troubled countries such as Zaire are likely to wait well beyond the six years.

Critics stress that the criteria for debt service and inflow projections alone would limit relief to too few countries. Analysts estimate that 19 sub-Saharan countries have debt-to-export ratios above 300 per cent and that nine have ratios of 200 to 300 per cent.

Yet the IMF suggested in September that only seven had unsustainable debt burdens and that a further nine were "possibly stressed" (see table). Creditors stress that the September list was just preliminary, and that some countries could change categories with further analysis of likely resource inflows.

Political issues could also alter a country's prospects. Zambia is thought likely to be an early candidate for the HIPC deal. But some donors, dissatisfied with the government's conduct of recent elections, might withhold contributions to the Trust Fund to clear Zambia's obligations to the African Development Bank, aid sources say.

Enough relief for enough countries?

Critics say another flaw of the plan is that it simply fails to provide enough relief for heavily indebted countries. Estimating total HIPC debt at $183 bn, Christian Aid, the UK-based NGO, calculates that some $87.1 bn of that is "unsustainable." It argues that a $5.7 bn cut (the lower range of the HIPC plan's cost) would account for only 6.4 per cent of unsustainable debt, and 3 per cent of total debt.

Looking at the potential impact of bilateral debt reduction, the European Network on Debt and Development (Eurodad) foresees patchy and far from impressive results from additional Paris Club relief. The Naples terms actually give far less relief than the well-publicized ceilings of 67 and 80 per cent suggest, because loans contracted after a country's first rescheduling — known as the cut-off point — are not eligible for relief.

For example, Uganda's 1995 Naples deal cancelled 67 per cent of its eligible debt. But this accounted for only 17.4 per cent of its total Paris Club debt, in part because most of this debt was contracted after Uganda's first rescheduling in 1981.

Eurodad estimates that the maximum relief likely for any country would be 54.4 per cent of Paris Club debt — for Congo. At the other extreme, Burundi would get a 1.4 per cent reduction on Club debt with a 67 per cent deal, and a 1.6 per cent reduction if the Club wrote

from page 1

off the maximum 80 per cent. Such calculations have led to repeated calls for the Paris Club to cancel up to 90 per cent of eligible debt stock, the figure originally proposed by the Bank and Fund to make the plan financially feasible. The Club has also been urged to move the cut-off point to a later date, to help countries sharing Uganda's predicament.

Test for other creditors

Another area of uncertainty in the HIPC plan lies with non-Paris Club bilateral creditors and commercial banks. They have agreed in principle to the deal, but their preparedness to provide "at least comparable" debt relief will be tested in practice. The most notable creditors are the Russian Federation and Arab governments and multilateral institutions which together hold 83 per cent of sub-Saharan Africa's non-OECD debt, says UNCTAD. They also account for over 75 per cent of the subregion's debt service obligations to the year 2000. The Russian Federation holds over half the bilateral debt of Angola, Ethiopia and Mozambique and negotiations are stalled over the value in roubles of this debt. Russia argues for the old rate of $1=R 0.58, but the rouble had fallen to $1=R 5,069 by June 1996.

The Paris Club could put some pressure on bilaterals by making relief on their Paris Club debt conditional on their giving similar treatment to HIPCs. But since the Club has already cancelled debt stock for some important creditors, its leverage could be limited.

With the ceiling set for now at 80 per cent for all bilateral creditors, multilaterals will have to pick up a hefty tab in some cases. For Guinea-Bissau, with a total external debt of $816 mn, a maximum 80 per cent Paris Club stock reduction and comparable treatment from other bilaterals would shave only $126.8 mn off the total. The country's exports earned $55.4 mn in 1994, an exceptionally good year. Even if this improvement was sustained, multilaterals would still need to mobilize substantial amounts to lower the debt to a target range of $125-200 mn.

The compliance of commercial creditors is also uncertain. Most are expected to cooperate easily on relief for the poorest countries which owe them little. But they will probably show less enthusiasm for giving similar terms to those such as Côte d'Ivoire, which has a hefty $2.7 bn commercial debt. The acid test should come later in 1997 when the Board Document solicits their opinions and contributions. ■

approved adjustment programmes.

Of the group of 41 countries initially defined as HIPCs by the Bank and Fund, 33 are African. Among the 18 countries further described as having "sustainable" debt burdens, 14 are African. Of the 12 "possibly stressed" countries, nine are African, and seven of the eight countries with "unsustainable" debt burdens are African. The status of Liberia, Nigeria and Somalia has yet to be determined.

Ivorian finance minister N'Goran Niamien

African ministers objected to the "artificial distinction" made between the categories of "unsustainable" and "possibly stressed," arguing that all those countries face the same reality of a debt burden which "far exceeds their real capacity to service it." In a memorandum presented to IMF Managing Director Michel Camdessus, they strongly recommended a review of country classifications in order to cover more African countries.

At the Washington meetings, the heads of the Bank and Fund made two things clear. It had been hard to get agreement between the multilateral, bilateral and commercial bank creditors. Secondly, HIPCs would have to sustain high levels of performance for several years before getting substantial relief on their debt burden. One concession to flexibility was to give time-credit to countries already implementing adjustment and meeting performance targets.

African ministers' reservations

This responded to the "serious reservations" expressed by African ministers over restricting eligibility to only those countries with a three-year "track record" of good adjustment. African countries also warned against a "rigid adherence" to the methods by which debt sustainability is being determined. The plan's export growth assumptions are "overly optimistic" and "more realistic projections" should be used, said Bank Governor Marcel Doupamby Matoka of Gabon on behalf of African ministers.

Optimistic Bank and Fund projections, such as an average 6 per cent annual growth in volume of Africa's exports had "led to a commensurate underestimation of our future financing requirements," the African memorandum added. Besides the known poor performance and vulnerability of Africa's exports to external factors, the rosy projections also failed to reflect the potentially negative impact on African raw material exports of post-Uruguay trade liberalization schemes and the loss of preferences.

The Bank and Fund have defined sustainability as 20-25 per cent for debt service as a proportion of exports and 200-250 per cent for the present value of total debt to exports (see page 12). But these levels should probably be lower, says the UN Conference on Trade and Development (UNCTAD), citing a number of empirical studies. Its 1996 *Trade and Development Report* adds that "great care" should be taken in making assumptions on export growth and capital flows which are vital for future debt indicators in view of the "highly uncertain nature" of projections of relevant economic variables and the "wide margins of error to which such projections are normally subject." The simple reason for taking more care in the projections of sustainability, said UNCTAD, was to ensure that countries following sound policies "will not revert to a crisis situation" some time after the programme ends.

Adding to the calls for greater flexibility in admissibility criteria, Mr. N'Goran Niamien, Côte d'Ivoire's finance and economy minister, told the Development Committee that a slight downturn in commodity prices would shift his country and others classified as "possibly stressed" into the category of countries with "unsustainable" debt burdens.

The budgetary impact of debts contracted or guaranteed by governments was yet to be explicitly listed among the eligibility criteria. Instead of using the balance of payments, Mr. Niamien strongly proposed the budgetary burden of debt as the criterion for evaluating sustainability. At the very least, he said, the two should be used "explicitly and simultaneously." UNCTAD also says the fiscal burden of debt service is "particularly relevant" for HIPCs, as their debt is "primarily public debt." It adds that in past debt crises, the principal problem for some countries has been the fiscal burden rather than balance-of-payments difficulties." ■

Africa ready to boost private investment

Major ECA conference examines private sector problems and prospects

By **Nii K. Bentsi-Enchill**
Accra

Africa's success stories and its potential for profitable investment must be broadcast the world over. But the continent also needs more stability in politics and economic policy, and governments must actively help local and foreign investors to unlock the continent's vast opportunities. These were among the major conclusions of an international conference in Accra attended by several heads of state and government (or their deputies) and over 600 people.

Organized by the Economic Commission for Africa (ECA) and hosted by Ghana, the 24-27 June conference on "Reviving Private Investment in Africa — Partnerships for Growth and Development" was sponsored by the African Business Round Table, the Global Coalition for Africa, the governments of China, Japan and Korea, the Swedish and UK official and agencies, Canada's International Development Research Centre, the World Bank and the UN Development Programme (UNDP).

One strong contrast during the conference was between advocates of faster privatization and deregulation and those who warned against a headlong rush in order to safeguard national and regional objectives and ensure some gains for Africa's people from local and foreign investment. One participant said "private monopoly can be worse than public, so I will always go for private participation and not privatization." Another said it was up to the private sector to push reluctant governments towards genuine dialogue and collaboration: "I think rather than [governments] telling us what to do, we should be telling them what to do," said one businesswoman to strong applause.

"It is very appropriate that this conference is looking at the role of the private sector on a continent-wide basis. Particularly as we seek to attract private investment in infrastructure development, there is the need to look beyond national boundaries in order to have wider market opportunities and rationalize investments through coordinated regional approaches."

— President Jerry Rawlings of Ghana

Total investment in Africa may eventually be 80 per cent domestic, said ECA Executive Secretary K.Y. Amoako in his opening address. But foreign investment was often at the forefront of conference concerns.

This led to some pleas on behalf of indigenous entrepreneurs whose needs are often neglected. Some governments want to become "new elites," in alliance with foreign investors, against the "real" local private sector, a prominent Ghanaian businessman warned. "Don't overlook local capital," another participant said, urging governments to "tap into it and help build it." A third speaker extolled the export growth achievements of Mauritius after many difficulties and setbacks, adding that "we did it not only by attracting foreign investment, but also by significantly encouraging massive local investment."

New era for Africa

This is "an era where we see a greatly differentiated Africa more typified by the reforming state, the corporate citizen and the domestic investor.... It is a time to make music together," said Mr. Amoako. However, governments "must deliver a stable, pluralistic, enabling socio-economic environment so that African and foreign investors will want to make and operate productive commitments in Africa."

The right method, Mr. Amoako said, was to correct major causes of macroeconomic and policy instability such as high inflation, big public deficits and overvalued currencies. According to ECA studies, a stable and predictable incentive framework for investment — relative prices, demand, interest rates, taxes — may be much more important than the level of the incentives themselves. Investor response should improve if

Major role for capital markets in Africa

"Those of us who once upon a time were opposed to capitalism for obvious reasons have come to believe in the role of the private sector," said Zimbabwe's President Robert Mugabe as he launched the African Capital Markets Forum (ACMF). This initiative, endorsed by African finance ministers and set up with help from the Economic Commission for Africa (ECA), aims to speed the growth of Africa's capital markets through the pooling of experiences and resources for training and research, and will hold an inaugural general assembly in 1997. According to ECA Executive Secretary K.Y. Amoako, "we are fostering [the ACMF] precisely because well-functioning capital markets are vital for mobilizing domestic and foreign finance for productive investment."

President Mugabe noted that domestic capital accumulation had grown in importance not just as a spur to economic growth, independent of external funding. For "where external investment is greater than domestic investment, economic and political sovereignty is compromised, if not completely lost."

"Pardon us for having tried in the past to implement the policies of socialism," Mr. Mugabe said, pointing to Zimbabwe's background of "a settler colonialism that we still have." Talk of privatization "is nonsensical," he said, since multinationals are the "main operators" in key sectors. "We told the IMF that we don't want to be rushed into privatization, for who will be on the other side? The same people who have the land, who have the factories...?" he asked amid heavy applause. The state sector should be seen as one which "holds resources for the indigenous people. We should look at how to bring them into ownership," he declared.

The ACMF should help enhance control of Africa's resources by its people, said Mr. Mugabe, asking if "capital markets serve us nationally or just a few settlers privileged with the advantages of history?" He urged the ACMF to ensure access to capital for up-and-coming African entrepreneurs and listed among its main challenges those of educating people on how capital markets work; finding new ways of integrating informal savings into modern financial markets; reversing capital flight; devising suitable instruments for managing investment risk; and strengthening capacity in the financial sector to reduce dependence on costly foreign technical assistance. "These may be daunting tasks," said President Mugabe, "but let us take our destiny into our own hands."

institutional reforms aim at predictable policies and effective property rights (particularly enforcement of contracts and technical standards), Mr. Amoako observed.

A "new realism is replacing ideology," proclaimed Mr. Edward Jaycox, retired World Bank Vice President for Africa. The continent has "come a long way from the statism and rigidities of the past," and with over 30 countries "moving from free fall to recovery," he predicted that "further converts to reforms" would come. Only growth of at least 7.5 per cent would "make any impact on poverty," but Africa's "serious adjusters" were already averaging over 5 per cent. With the end of black markets in currencies and goods, and the demise of trade restrictions, tariffs, and import licenses, there is a "new level of trust in the private sector," Mr. Jaycox said, citing President Jerry Rawlings' opening speech.

The Ghanaian President had unambiguously stated Africa's commitment to encouraging the private sector's contribution to the continent's development. The positive turnaround in Ghana's fortunes since 1983 was due to the "sound macro-economic framework" within which the private sector could "take up the challenge of enterprise." Ghana's gold subsector testified to the responsiveness of private entrepreneurs to incentives. A new regulatory framework had attracted new capital into the sector, with some 76 foreign companies now prospecting for gold and with major new mines in production for the first time in decades. Annual production now exceeds 1 mn ounces, making gold Ghana's biggest foreign exchange earner.

He said Ghana was proud that the impetus it had given to gold mining investment had also stimulated investor interest in neighbouring countries with similar geological potential, such that West Africa is currently enjoying "a veritable boom in gold mining investments." Ghana's hopes of faster economic growth would be "no more than wishful thinking" without such dynamic private sector participation, Mr. Rawlings concluded.

Conditions for boosting investment

Africa's situation is contradictory, participants were told. The world should know that several countries had averaged 5.1 per cent annual growth since 1991 and that the rate of return on foreign direct investment (FDI) in 1980-93 was above the average for all developing countries. Yet Africa's share of global FDI flows was down from 3 per cent in 1981-85 to only 1.7 per cent in 1991-93.

Since domestic and foreign investment "feed off each other," one speaker urged Africans themselves to show confidence by investing in their own economies. The stock of sub-Saharan flight capital is some $148 bn, or 90 per cent of the region's combined GDP, indicating Africa's potential to raise capital and lower its aid dependence, participants were told. But the "wait-and-see" attitude of investors could only be countered by clear signals of commitment to policy continuity.

The most severe constraints facing private sector growth include the lack of political commitment and financial support from risk-averse banks; poor infrastructure, inadequate entrepreneurial skills, high taxes and bureaucratic red tape. According to Mr. Jaycox, governments still need to move "further and faster on basic reforms such as land, labour, tax and investment laws." The biggest issues, he added, were those of corruption — "Let's say the word. I know it's a Northern problem to which Africa is vulnerable" — and governance, or simply "making the whole thing work."

"The challenge is yours to market your resources. You can't wait for the investor to come to you," said Coca-Cola's director for external government relations, Mr. Percy Wilson, stating a theme of the session on the gap between policy and implementation. As

Investment must empower Africa, say heads of state and government

Africa is an orphan of the post-Cold War world, said President Jerry Rawlings as he opened the Round Table of heads of state and government on 26 June. The session, moderated by Mr. K.Y. Amoako, Executive Secretary of the UN Economic Commission for Africa, was scheduled for two hours but lasted over four as the leaders spoke at length about their commitment to promoting both private investment and the national interest. The panel included Presidents Alpha Oumar Konaré (Niger), Robert Mugabe (Zimbabwe), and Sam Nujoma (Namibia); Vice-President Thabo Mbeki (South Africa); Prime Minister Daniel Kablan Duncan (Côte d'Ivoire), Deputy Prime Minister Kassu Ilalla (Ethiopia) and Economic Development Minister Baccar Taoufik (Tunisia).

Barry Williams

President Robert Mugabe of Zimbabwe

Resources are being pumped into the former Eastern bloc, said President Rawlings, but the expected bilateral and multilateral aid has not flowed to Africa to lay the foundations to entice foreign direct investment (FDI). "While we appreciate charitable contributions from your countries, we are not asking for payback [as in reparations] but for partnership," he declared.

President Mugabe refused to accept Western countries as "my teachers of democracy when I had to go to the bush to fight for it." He agreed that Africans need "democracy and stability to make choices in our society ... to form companies and bring economic progress." And while he did "subscribe to opening up our economies," he also noted that Africa's efforts to move from primary to secondary production and processing were hampered by external barriers and quotas.

"Investment comes with some degree of desire to control," President Mugabe observed, and the desire in some quarters "to remain as colonizer and exploiter" was mirrored by the desire of "some of us to remain under the influence of what Nkrumah called neo-colonialism." He stressed that domestic investment should be greater than FDI and, to heavy applause, declared that "FDI must come as a partner, never as a master."

Barry Williams

President Alpha Oumar Konaré of Niger

"Yes to FDI, but on the basis of African plans and programmes," added President Konaré. Pointing to Africa's "multiplicity of near identical investment scenarios," he called for integration and coordination rather than competition. He also warned against "going from one extreme to the other, from state omnipresence to a total absence of the state." In view of the state's vital role as regulator and facilitator, he said that a "weakened government administration is very bad for investors."

President Sam Nujoma's detailed presentation of Namibia as an investment gateway to Southern Africa included the information that organized labour in his country had contributed to boosting the investment climate by agreeing on no strikes or lockouts in the export pro-

chairman of the US Corporate Council on Africa, he noted that its membership was up from 12 in 1992 to over 90 now, a clear sign that "US companies are ready to do business with you." He said training should get top priority "so you have the right people in the right place at the right time for policy execution."

Tackling infrastructure

Africa is the "last great continent for investment," and investor interest and governmental emphasis is said to be converging in four key sectors: infrastructure (including energy), telecommunications, agribusiness, and financial services and capital markets. There is nothing more important for Africa than better infrastructure, and there is no place in greater need, observed Mr. Tei Mante, Africa Director of the International Finance Corporation (IFC), opening the session on infrastructure. Of the $60 bn worth of private provision of infrastructure done in the world annually, less than $1 bn occurred in Africa, he pointed out.

Meanwhile, the continent was losing some 3-5 per cent of gross domestic product (GDP) due to bad roads, added Mr. Wim Westerhuis of the International Road Federation. His organization had been asked by the ECA to build a database on all road projects in Africa, he reported. This would contain details of location, traffic levels and costs as part of project profiles to submit to potential investors. While public funds would be needed for some time, there were substantial private funds to be tapped, "but only for sound and viable projects."

"I suggest that Africa and the foreign investment community have a shared interest in achieving a substantial reduction in the debt overhang, the difference being that some of us have more influence on sometimes reluctant Western ministries of finance than others of us."

— K. Y. Amoako
Executive Secretary,
Economic Commission for Africa

Barry Williams

With private provision of infrastructure in developing countries rising in value from $16 bn to $26 bn from 1993 to 1994, Mr. Nathan Mintah of Asea Brown Boveri noted the attraction for private financing of the build-own-operate (BOO) and the build-operate-transfer (BOT) systems. However, this implied many changes, including a political consensus which favoured an end to old state monopolies and a suitable regulatory framework. He said Africa was now showing "impressive signs of change and hope." Examples included "Africa's first truly private power project" in Côte d'Ivoire, and two successfully executed projects in Senegal and Morocco under BOT or BOO arrangements.

Developing the point about old monopolies, Mr. Shola Taylor of Inmarsat (UK) said that great opportunities awaited the private sector in telecommunications development, which he described as "an engine of growth." Sub-Saharan Africa in particular clearly needed cellular and optical fibre networks, multi-access radio and fixed set systems. Of the 11.6 mn telephone lines in Africa, only 2.5 mn are in sub-Saharan Africa and the continent's average of 1.66 lines per 100 people falls to only 0.46 in sub-Saharan Africa. It takes 4.6 years to get a phone line in Africa, and 8.2 years in sub-Saharan Africa. While prohibitive costs partly explain this situation, Mr. Mintah also pointed out that annual revenue per year per phone line in Africa is the highest in the world.

Although eight countries have set up new cessing zone for five years.

This was "really going a long way down the road," observed Vice-President Mbeki, adding that "stability only for the sake of FDI would not be lasting." He pointed out that despite Africa's efforts, investors were holding back as if in "a self-fulfilling prophecy."

Barry Williams

Vice-President Thabo Mbeki of South Africa

Any reluctance was due to such factors as the fear of devaluation, the lack of local liquidity and the need for further fine-tuning of policies, said Mr. Franklin Kennedy of Equator Bank, one of the people chosen to put questions to the government leaders.

In response, Mr. Mbeki said "we really need to overcome resistance and prejudice," adding that "it also sounds like you want a 100 per cent, risk-free environment, which does not happen anywhere else." Africa did not need any "in-and-out" short-term investments, he said, calling for the long-term investments that demonstrate confidence.

In South Africa's case, Mr. Mbeki called for investment schemes that would give "enabling capital assistance" to Africans after the discrimination of apartheid. He said South Africa's telecommunications "would not be privatized, but private equity participation would be invited," as would happen in other sectors.

Privatization of Ethiopia's telecommunications sector was also inappropriate because of the nation's "federal arrangements," said Deputy Prime Minister Kassu Ilalla. The government also felt that due to the profit motive, allowing FDI in the sector would "lead to neglect and further marginalization of unprofitable rural areas." Instead, telecommunications would be commercialized: "If private investors want to come and manufacture [telecommunications] equipment, they are very welcome. But services, no!"

Mr. Ilalla stressed the need to "go beyond structural adjustment and macro-economic stability in order to promote long-term growth and development and enhance the conditions for private investment." He said Ethiopia needs industries to "absorb the growing number of unemployed, and technology to upgrade productivity." And with peasants forming 80 per cent of the population, the way forward was through agriculture-led industrialization. However, he observed, Ethiopia's industries "are seriously threatened by the aggressive, competitive international environment."

Barry Williams

Deputy Prime Minister Kassu Ilalla of Ethiopia

On domestic resource mobilization, Ivorian Prime Minister Daniel Kablan Duncan said a simple way to increase savings was for people to have "fewer and less sumptuous marriages and funerals." People also had to change mentalities so that, for example, taking out life insurance "does not mean inviting early death." He was confident that "if we make the right changes, investors will come just as honey attracts flies."

In conclusion, President Rawlings invited investors to "get around" any bureaucratic obstacles, to "come to us directly [and] beat down our doors!" He urged investors to "join us in partnership," and "we will assist you in every possible way."

regulatory bodies and two more are in the process, or are changing the state's dominant role in telecommunications. Mr. Taylor said there is still a shortage of management skills and of investors. He urged each country to define its telecommunications policy, set up transparent regulations, and introduce competition so that greater private participation would help lower the costs per phone line. Appropriate laws and effective institutions could eliminate many of the perceived risks of foreign investment in such sensitive national sectors as power and telecommunications. Mr. Taylor called for more regional coordination and cooperation, but said that such efforts would have to "factor in the key players," meaning the private sector.

Agribusiness ripe for investment

The key to Africa's industrialization is "adding value to the land," said Zambian businesswoman Catherine Mwanamwambwa, who has been investing in agriculture for over eight years. She had won the confidence and backing of the European Investment Bank with "the beauty" of her network of 5,000 small farmers (2,000 of them women) producing flowers and other crops (such as paprika) for export.

One had to create strategic alliances and achieve vertical integration in order to share in the fruits of adding value, she said. For example, raw paprika fetches $3–4 a kilogram and $26 when processed. Logically, she chairs a joint venture company with two foreign partners which markets paprika end-products at up to $60 a kilo. In appreciation of Ms. Mwanamwambwa's pioneering role, the audience vigorously applauded the growth of Zambia's floriculture from one company in 1989 to the current 14, with $200 mn of rose exports in 1995. Her parting message to other entrepreneurs was: "Let's go for that gut feeling that you just want to make money. But also have some social responsibility and carry the people along with you."

Mr. Catherine Mwanamwambwa

During a subsequent workshop on agribusiness, a participant asked how local products could compete against similar ones made abroad. "First, beat them on cost after painstaking feasibility studies to establish domestic and export markets," said Mr. Nigel Williams of US-based F.C. Schaffer Associates. But he also advised "protection with a small 'p' and safeguards against dumping." He urged governments to facilitate the use of land as collateral and not to impede access to it: after all, "no one can steal it." Mr. James Kamara of the UN Environment Programme warned against neglecting environmental questions in the concern to promote investment. Many African countries lack environmental legislation despite the economic importance of agriculture, and "it would be a pity if 20 years later we have to try and repair the damage."

With Africa funds launched in the last 30 months by some 12 investment funds and commercial banks, international fund managers are showing renewed interest in Africa. This reflects a reassessment of Africa's potential, but African countries must still strengthen their financial markets, said Mr. Kofi Bucknor, an executive director of Lehman Brothers International (UK), during the session on generating funds for private investment. He advocated policy guarantees for international capital flows, clear mechanisms for supervision and for settlements, the creation of suitable financial instruments, and more investment in technology and training. Governments should also consolidate privatization and cut the deficits which crowd out private investors.

From a related angle, Mr. Kwame Nyantekyi-Owusu of the Accra-based Inter-Afrique Holdings asked: "How does a poor

Regional markets — a necessary and attractive proposition

Conference participants restated the urgency of regional integration but noted that poor infrastructure and payments systems are retarding official trade even as unrecorded trade continues to grow. They noted the importance for investors of stability across an entire sub-region, and said integration not only broadens economic spaces but also increases investment opportunities.

Energy projects in West Africa and Southern Africa are "important examples of cross-border infrastructure development with private sector participation," said President Rawlings, recalling the project agreement signed in Lagos in 1995 by energy ministers of Benin, Ghana, Nigeria and Togo for a pipeline to distribute Nigeria's huge natural gas reserves across West Africa. Project implementation would require both local and foreign private sector participation, he stressed.

A democratic basis for political stability is both crucial to the integration process and conducive for investment, said Secretary-General Kaire Mbuende of the Southern African Development Community (SADC). He said SADC is well advanced in infrastructure development and is making progress in the power and water sectors. The Arab Maghreb Union is in turn taking steps to liberalize trade, stimulate investment and mobilize financial resources for subregional development, participants were told.

Setting up "growth triangles" can bring great benefits, judging by the experience of the Association of South-East Asian Nations (ASEAN), said Dr. Gan Khuan Poh, an economic planner in the Malaysian Prime Minister's Department. These "triangles" are initiatives of governments able to link three or more neighbouring areas with different factor endowments and comparative advantages to form a larger area with greater potential for boosting trade, investment opportunities and growth for participating countries, he said.

A closer look at West Africa shows its "vast market potential," said Mr. Ken Ofori-Atta, managing director of the Accra-based Databank and member of the West African Enterprise Network. The subregion's total population could double to 200 million by 2010 and its urban population could rise six-fold. By 2020, there could be 30 cities of over 1 million people compared with only six today, and five major cities in the 600 km stretch between Lagos and Accra.

He said "integration is happening, formally and informally," although implementation of the trade-facilitating protocols of the Economic Community of West African States (ECOWAS) is slow. Set up in 1993, the Enterprise Network has 300 members in 11 of the 16 ECOWAS countries who are "mainly young, technology-literate, with modern ideas and ready to do business," Mr. Ofori-Atta said. It aims to improve the business climate and promote trade by getting information to the right places and also through advocacy for expediting the implementation of protocols and improvements to national regulations. The Network has secured observer status at ECOWAS meetings and is pitching its work in a way that governments did not find threatening — by simply promoting progress in trade and business in the subregion for the "ordinary people who are getting on with it."

African country create a growing pool of capital and channel it to local private entrepreneurs for joint ventures and other investments?" Most countries are "bogged down in the vicious circle of low savings and low investment," and with high savings seeming to be "both a cause and a consequence of high growth," it is hard to start the process. He said African entrepreneurs need risk capital to fund their stakes in joint ventures. To "jumpstart the process," there should be a new joint venture approach for Africa where the investment package includes a locally-based investment fund along with the local entrepreneur and his foreign partner.

Critical role for 'home-grown' funds

So far, investment funds had played a marginal role in Africa, with only a few venture capital firms set up in Tanzania, Zimbabwe, Ghana, Nigeria, South Africa, Tunisia, Mauritius, Senegal and Uganda. Most such African investment funds had been created by agencies such as the US Agency for International Development and the Commonwealth Development Corporation and were typically capitalized at $5-10 mn. The full potential of these "niche" funds would only be realized "if African governments privatize their national pension schemes and mandate private investment funds to manage the pension funds on a competitive and commercial basis," Mr. Nyantekyi-Owusu said.

His key example was Chile's introduction of private pension funds in 1981 which "obliged" workers to place 10 per cent of their pre-tax income in one of 18 officially regulated private pension funds. The result was a dramatic leap in savings ratios from 2.8 per cent of GDP in 1980 to 20.4 per cent in 1994 and by 1992, pension fund assets totalled some $20 bn, or nearly 50 per cent of GDP. The private pension funds had been key players in privatization in the 1980s, enabling the government to build political support for the programme and counter the suspicion that privatization benefits only large foreign companies.

"As long as other reforms are in place," professionally managed private pension funds could help achieve similar levels of savings and investment in Africa, Mr. Nyantekyi-Owusu argued. "Home-grown investment funds, with access to sufficient pools of local capital," would be "critical" in helping local entrepreneurs form joint ventures with foreign firms.

Local managerial talent would "no doubt" have to be supplemented by attracting African professionals now working in foreign financial centres. Local funds could also form partnerships in capacity-building with emerging market funds in Europe and the US. In order to "greatly stimulate savings and investment," he called for more local investment funds, "run by African professionals who would compete to manage and invest private pension funds under clear and firm regulations and guidelines." This would give Africa "a chance to establish world-class enterprises able to compete successfully in global markets."

But pension funds would still need some state participation to ensure accountability and prudence with people's life savings, said Ms. Stephanie Baeta Ansah of Ghana's Home Finance Company. ■

African women need genuine support

"Are all these Heads of State afraid of women?" asks Ms. Ramatoulaye Sow, a Guinean businesswoman and vice-president of the African Federation of Women Entrepreneurs (AFWE). She regretted the lack of official support for the "backbone of African entrepreneurship" and used as a proximate example the "sidestepping" of her questions to the Round Table of heads of state and government (see pages 18-19).

AFWE efforts to set up showcase shops in African capitals and open markets for women entrepreneurs — an "achievable target" — were being blocked by tax and customs problems, Ms. Sow had said. So, she asked the African leaders, how about some exceptional measures to support us? She also asked for a progress report on the African Economic Community. All she got was "more of the theoretical support, fine speeches and pledges which have never been lacking."

Ms. Ramatoulaye Sow

Her emphasis on the dynamism of African women in nearly all economic fields even "while bearing the weight of their families" was echoed during an earlier conference session on women entrepreneurs chaired by Ms. Gloria Nikoi, an eminent Ghanaian banker and economist, who noted the vital, "cross-sectoral contribution" of African women despite cultural, political, educational and financial obstacles. Dr. Sarah K. Bryant of Johns Hopkins University said: "Develop women and you develop society." Widely recognized for their managerial abilities and creditworthiness, women "suffer from retrograde attitudes backed by laws, regulations and practices," added Cameroonian businesswoman Ms. Micheline Dsamou.

Instead of harassment, said Ms. Françoise Foning, a Cameroonian industrialist, heavily laden woman traders trudging through airports "are like the golden goose and should be recognized as such." Women need real support, including professional and vocational training, to maximize their potential and optimize their contribution. To this end, the panel called for strategies to help micro-enterprises graduate to the formal sector, and for banks to channel more finance to women through smaller-scale credit bodies.

Finance remained a problem for AFWE, Ms. Sow told *Africa Recovery*. Set up by the Organization of African Unity and the Economic Commission for Africa, AFWE held its first congress in 1993. Since then, insufficient membership dues and ECA funding had failed to ensure regular meetings, and AFWE was now "winded." "We have our objectives and a plan of action, but no means for implementation."

In Guinea, Ms. Sow and eight others set up an Association of Women Entrepreneurs (the French acronym is AFEG) in 1987, which now has 1,340 group and individual members across the country. Membership dues and public grants have kept AFEG going, but Ms. Sow said domestic support has been less than from such sources as foreign embassies. "Since we cannot keep begging," she said, "we have used external support to strengthen our fund-raising ability."

Notable results so far include setting up two agro-processing factories. Work began in 1993 on the first factory, Sonoya, with AFEG's own funding boosted by aid from China, the UN Industrial Development Organization (UNIDO) and the Guinean government for construction, importation of Chinese equipment and training. "Sonoya" in Malinké means ready-for-use, and by end-1995, the factory's output was 10 tonnes of dehydrated fruit and vegetable products (including bananas, pineapples, cassava, carrots and ginger) for local and export markets.

Sonoya's managing director, and most of the 60-strong workforce, is female and Ms. Sow is proud of this job-creating effort. The factory is now looking to diversify its output to include soups, juices and preserves. AFEG's smaller second factory — just 30 employees — hopes to launch its cassava-based atiéké and other root-crop products by the end of 1996. The idea had come when AFEG realized that Guinea was importing root crops from Côte d'Ivoire and Sierra Leone although it has the same climate and produce.

New investment rules cause concern

Major issues loom for countries already struggling with Uruguay Round trade agreements

By **Tim Wall**

African and other developing countries are worried by the industrialized country push to put more liberal proposals for foreign investment on the international agenda. They fear that even discussion of a new set of binding rules may overwhelm developing countries still struggling to implement, and also gain compensation for, the Uruguay Round trade agreements.

These concerns were not dispelled by the carefully worded compromise that emerged from the first ministerial meeting of the World Trade Organization (WTO), held on 9-13 December in Singapore. There, the Ministerial Declaration announced that two working groups would soon be set up, one to "examine the relationship between trade and investment" and the other to study the interaction between trade and competition policy in order to "identify any areas that may merit further consideration in the WTO."

It was precisely such a proposal for a working party on investment that had been beaten back by developing countries at an early November meeting to set the agenda for the WTO's Singapore meeting. Zambian Ambassador in Geneva Patrick Sinyinza had told *Africa Recovery*: But further attempts would be made to raise the issue in Singapore, said Mr. Sinyinza who chairs the Trade and Development Board of the UN Conference on Trade and Development (UNCTAD). Many African countries, said Mr. Sinyinza, fear that such discussions in the WTO would quickly lead to negotiations in which their position would be one of "vulnerability and little grasp of the issues," as occurred in the Uruguay Round.

Summing up the developed country view, the European Trade Policy Commissioner Leon Brittan said in Singapore that investment should be a "top priority for the WTO" in the years ahead. It is also an issue "primarily for the WTO because it involves the development of an appropriate framework of binding rules." Many developing countries need a secure legal environment to attract a "fair share of investment capital" and WTO rules would help provide the "necessary underpinning," Mr. Brittan argued.

The European Commission (EC), Japan and Canada are among those pushing for early talks. The US is said to favour waiting for the OECD's multilateral agreement on investment (MAI) before starting negotiations in the WTO. Presentation of the MAI is scheduled for an OECD ministerial meeting in May-June 1997. Once accepted, it could then be opened to accession by non-OECD members. Some developing countries have already expressed interest in becoming early signatories to an OECD accord on investment.

The push for WTO discussion of a more liberal framework for transnational corporations and other foreign investors was led last May at the UNCTAD IX conference in Midrand, South Africa, by some members of the Organization for Economic Cooperation and Development (OECD). But pressure from developing countries led to UNCTAD being mandated to study the benefits and pitfalls of a new multilateral investment framework.

The Singapore compromise recognized this mandate by welcoming the "work under way [in UNCTAD] as provided for in the Midrand Declaration and the contribution it can make to the understanding of issues." WTO ministers said the working groups should cooperate with UNCTAD and "ensure that the development dimension is taken fully into account." WTO's General Council is to chart future directions in two years' time. Acknowledging developing country concerns, the Singapore Declaration stated: "It is clearly understood that future negotiations, if any, regarding multilateral disciplines in these areas, will take place only after an explicit consensus decision is taken among WTO members regarding such negotiations."

Proposed new freedoms for foreign investment

Developed country advocates of new rules for foreign direct investment (FDI) favour measures along the following lines:

- Foreign firms would have the right to enter a nation and invest in all sectors except for the security sector.
- Foreign and domestic firms would have equal access to government aid, subsidies, tax benefits and contracts.
- There would be no restrictions on foreign firms transferring profits to their headquarters.
- Binding mechanisms would be established to settle state-to-state and investor-state disputes.

But if investment protection and liberalization are very important for transnational corporations, sustainable development and social policy issues are equally important for developing country governments, trade unions and consumer groups, says the UN Conference on Trade and Development (UNCTAD) in its *World Investment Report, 1996*. To take account of different levels of development and provide for mutual advantage in new investment rules, UNCTAD says development objectives must be **safeguarded** (by allowing time for adjustment to stringent new rules), **advanced** (by allowing developing countries to increase their benefits from FDI), and **supported** (by developed country governments which can promote FDI flows that fit in with developing country needs, for example, in appropriate technology or export production).

Developing country concerns

If such new investment rules "would give something more than current bilateral agreements, in which all the obligations are placed on the host country and none on the investor, we might see an interest in it," said Egypt's Ambassador Mounir Zahran, the African Group's chairman at Midrand.

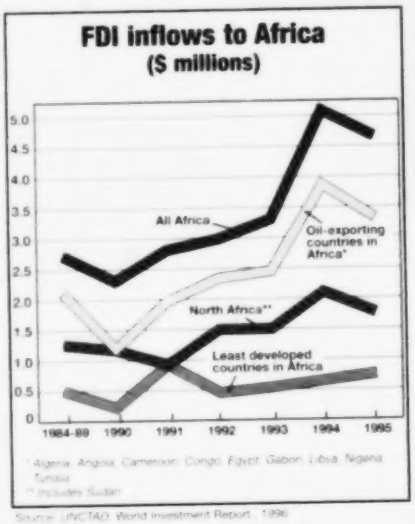
However, many developing countries, particularly the least developed, still face many problems in adjusting domestic policies to comply with the Uruguay Round Agreements, argued a 28 October statement issued in Geneva by Egypt, Ghana, Haiti, India, Indonesia, Malaysia, Tanzania and Uganda. Introducing new issues on the WTO agenda would also unduly strain national economies and policies and the WTO structure, the statement said.

The eight countries added that study and informal discussion of a possible framework should stay within UNCTAD for the time being, as it remains unclear how a new framework might affect the ability of national governments to regulate investment flows to suit national development plans.

They pointed out that the Uruguay Round already has provisions on Trade-Related Investment Measures (TRIMs) aimed at reducing trade distortions caused by national investment policies. As the WTO is scheduled to

review implementation of TRIMs in 1999, the eight countries argued that early WTO discussion of a new investment framework would constitute a back-door route to re-opening issues already negotiated during the Uruguay Round, and that introduction of new investment-related measures should come after the 1999 TRIMs review, not before.

But there were some African countries who said the Singapore meeting should contain some discussion, but not negotiation, of new investment rules. Mr Sinyinza said Madagascar, Morocco, Nigeria, Tunisia and Zambia were among the countries backing this approach at the 10 October Global Investment Forum organized by UNCTAD. These countries, he said, felt that discussion within the WTO would facilitate a "learning process" for African and other developing countries. As the WTO is a rule-making body, the line dividing discussion from negotiation could be very thin, said Mr. Sinyinza. But this possibility is offset by the danger that potentially more rigorous rules from the OECD could become a take-it-or-leave-it proposition for Africa, he warned.



Source: UNCTAD, World Investment Report - 1996

African unease about the potential disadvantages of any new investment rules is compounded by concern that such rules would "remove the last vestiges of national planning and pose a threat to national sovereignty," says Mr. Trevor Abrahams, Advisor to South African Trade Minister Alec Erwin who chaired the Global Investment Forum and presided at UNCTAD IX. It is "absolutely clear" that some of the proposed new measures "would be destructive to weaker economies" whose domestic firms cannot compete with transnational corporations. "It would be unfair to impose such new rules before these countries have had a chance to engage in full economic reforms," he told *Africa Recovery*.

Many least developed countries are particularly unhappy at the prospect of embarking on new issues in the WTO while Uruguay Round provisions to compensate net-food importing countries for losses entailed under free-trade rules have not yet been implemented, he added.

NGOs cite colonialism

"The issue is not whether foreign investment is good or should be welcomed," said a position paper circulated at UNCTAD IX by the Third World Network (TWN) of non-governmental organizations. But for "foreign investment to play a positive role, governments must have the right and powers to regulate its entry, terms of conditions and operations." TWN argues that "the real motives of the proponents are to increase access of their companies to resources and markets of the developing countries, as well as to have another powerful instrument to block the development of potential rivals." Citing some measures suggested by the European Community for the OECD investment proposals, TWN said that a new treaty under the terms promoted by the EC would constitute "a return to the colonial era."

Even among developed countries, however, there are objections to aspects of EC proposals, including full liberalization of investment rules, and negotiations in the OECD are reportedly going more slowly than originally expected. It now seems that the draft agreement to be presented to the OECD ministerial meeting in 1997 will be long on standardized rules but short on measures that actually liberalize entry for and equalize treatment of FDI.

There is also concern within the OECD that the "go-it-alone route may not be a good idea" because it may antagonize those developing countries which now have a large and growing role in international trade and investment, Mr. Abrahams said.

"We should not prejudge that Africa will come off badly, and we don't enjoy the luxury of sticking with the status quo," said Ambassador Sinyinza, pointing to Africa's low inflows of FDI. "If we don't participate in the process, Africa may miss another chance."

The trend since the 1980s is towards liberalization of cross-border investments, notes Mr. Michael Gestrin, an editor of UNCTAD's recently published 1,000-page *International Investment Instruments: A Compendium*. He said that "clearly, investment is on the table [of international discussions] and it won't be pushed off." ■

North Africa's relative gain in continent's FDI inflows

Africa remained at the margin of burgeoning worldwide flows of foreign direct investment (FDI) in 1995, says UNCTAD's *World Investment Report, 1996*. Global flows of FDI rose by 40 per cent between 1994 and 1995, reaching $315 bn, but in those two years, inflows to Africa fell from $5 bn to $4.7 bn, or just 1.5 per cent of the 1995 world total.

Within Africa, UNCTAD noted a swing from south to north in subregional inflows of FDI since 1980, largely due to disinvestment in South Africa during the apartheid era and an upswing in European investor interest in North Africa. In 1980, Southern Africa accounted for nearly two-thirds of Africa's stock of FDI, while only 12 per cent was in North Africa. By 1995, Southern Africa's share had fallen to 24 per cent while that of North Africa had increased to 30 per cent. The percentage of FDI located in the rest of Africa rose from 24 per cent in 1980 to 45 per cent in 1995. UNCTAD attributes the surge in FDI to North Africa in part to "efforts to establish an appropriate FDI framework." North Africa has concluded an average of 16 bilateral investment treaties (BITs) per country, more than in any other developing region. Sub-Saharan Africa, by contrast, has 4.6 BITs per country, the lowest among developing regions.

Although FDI in Africa has become less regionally concentrated, a few countries, mostly oil-producers, still take the lion's share. Nigeria, for example, received 61 per cent of average annual inflows to sub-Saharan Africa in 1993-95; over the same period, Egypt took in 48 per cent of FDI going to North Africa. South Africa experienced a net disinvestment during the 1980s and early 1990s, and only minimal inflows in 1994 and 1995, but it still holds two-thirds of the inward FDI stock of Southern Africa.

Western European companies remain the largest bloc of investors in Africa, owning more than half of the 600 biggest foreign affiliates on the continent. The US share in Africa's inward stock of FDI fell from 32 per cent in 1985 to 25 per cent in 1993. And growing Japanese development assistance to Africa has not led to an investment surge. According to UNCTAD, only 0.1 per cent of Japanese outward FDI went to Africa in 1990-94.

Micro-credit: a weapon against poverty

Washington conference to highlight role of small-scale credit in grassroots development

By ***Ernest Harsch***

Small-scale credit is being recognized increasingly as one of the most effective tools for improving Africans' economic prospects and helping combat poverty on the continent. Often with short-term loans of just $500 or less, village artisans, market women, farmers, petty entrepreneurs, members of cooperatives and others can expand their activities, taking advantage of new opportunities that would otherwise be closed to them.

"Micro-finance is a proven instrument to assist the very poor," says Mr. Ismail Serageldin, World Bank Vice-President for Environmentally Sustainable Development. As Ms. Thelma Awori, Deputy Assistant Administrator of the UN Development Programme (UNDP), told a West African regional conference on micro-finance held in Mali in June, "The growing and powerful lesson of micro-finance is that financial services is a basic need which can integrate the poor in the economic life of their societies."

With the aim of generating more international support for credit to the poor, especially to women, a "Micro-credit Summit" will be held in Washington, DC, on 2-4 February 1997. It is expected to draw representatives of donor institutions, governments, the private sector and micro-credit organizations from all developing regions. The conference's organizing committee includes, among others, Ms. Ellen Johnson-Sirleaf, Director of UNDP's Regional Bureau for Africa; Mr. Muhammad Yunus, Managing Director of the Grameen Bank of Bangladesh; Ms. Nancy Brown, President of Women's World Banking; and Mr. Serageldin, who is also Chairman of the Consultative Group to Assist the Poorest (CGAP), a micro-finance coordinating programme of 18 donor institutions.

The summit, according to its organizers, will seek to promote new initiatives to reach 100 million of the world's poorest families with credit for self-employment and other financial and business services by the year 2005.

At a time when both government and donor financing is under severe pressure, the virtue of Africa's micro-credit organizations mobilizing domestic capital has become a necessity.

Meeting the demand for credit

In Africa, the past few years have seen a marked growth in micro-credit organizations. Numerous local credit unions, savings clubs and informal financing mechanisms have emerged to meet the demand for small-scale credit, which few commercial banks, public institutions or donor agencies provide. "We are in a new era of micro-finance," Ms. Awori noted at the Mali conference, which was organized by the World Bank, Women's World Banking (WWB) and the International Development Research Centre of Canada, and was attended by finance ministers, bank officials and credit organization leaders from 16 West African countries.

A sample inventory being conducted in 17 sub-Saharan countries by UNDP and WWB has identified 98 micro-finance and rural finance institutions. Their average loan size is $280, 62 per cent of their borrowers are women and loan repayment rates average 85 per cent. Half of those inventoried are non-governmental organizations (NGOs) that provide small-scale financial services, about a third are savings and loan associations and the remainder are banks and other financial institutions with small-loan facilities.

A briefing paper on African credit unions* recently published by *Africa Recovery* reports that the formal membership of credit unions affiliated with the African Confederation of Cooperative and Savings and Credit Associations (ACCOSCA) had risen to 5.6 million by 1994, compared to just 1.6 million a decade earlier. Kenya alone has 1.3 million credit union members, with combined savings of nearly $338 mn. This October, Senegal's Ministry of Economy and Finance reported that it had identified 363 local savings and credit banks, commonly know as "mutuals."

In addition to such formally organized credit organizations, there are countless local traditional savings clubs across Africa, known variously as *tontines*, *esusu*, *chilemba* or some other name. In Nigeria, for example, between 30 and 50 per cent of the adult population is involved with an *esusu*.

Not all such groups target the very poor, but their presence in some of the smallest and most remote villages, their flexible procedures and their willingness to lend on the basis of social guarantees rather than titled property or financial collateral makes them far more accessible to small-scale borrowers than are large banks. According to Mr. Kimanthi Mutua, Managing Director of the Kenya Rural Enterprise Programme (K-REP), "conventional financial institutions" are often unable or unwilling "to serve the poor community. As a result, poor people have been red-lined out of the mainstream financial system."

Mr. Mutua, who is also a member of the CGAP Policy Advisory Group, nevertheless cautioned that micro-finance "is not a panacea to all the problems of poverty." Nor should it be seen as only a way to develop micro-enterprises or provide small loans and savings facilities. The same principles, he suggested, could be applied to such areas as health insurance, low-cost housing mortgages and education savings and credit programmes.

Focus on women

Women have often had the least access to formal banking institutions, despite their position as the main producers of Africa's food crops and their predominance in the informal sector in many African countries. In response, numerous micro-credit organizations in Africa specifically target women. This not only helps compensate for the lack of other credit opportunities for women, but also reflects their very active role in production and small-scale enterprise. In Niger, for example, roughly 40 per cent of all micro-enterprises are run by women, while in Burkina Faso women account for two-thirds of informal sector employment and in Cape Verde for some 80 per cent.

Extending loans to women is a highly effective way to combat poverty. The benefits of such loans, says Mr. Serageldin, "translate into improved conditions for the entire household, especially children. Very poor women can pull themselves out of poverty through successive loans of this type."

Credit to women is also good business. Women's loan repayment rates are usually significantly higher than those for men. A micro-

credit pilot project launched by the French Development Fund in Guinea and Burkina Faso found that women borrowers were repaying as much as 98 per cent of their loans.

One reason for such high rates is that many women borrowers are organized into groups, and the groups as a whole take responsibility for the loans, using social pressure to ensure repayment. For example, a women's savings and credit bank in Grand-Yoff, near the Senegalese capital of Dakar, has nearly 10,000 members, mostly petty traders, and has extended a total of CFA 700 mn ($1.4 mn) in loans since its formation in 1987. The only collateral required, says the bank's head, Ms. Mame Marieme Cissé, is the "solidarity guarantee" of the group itself.

Mobilizing savings

Many such micro-credit organizations raise a significant portion of their funds from local savings. Ghana's system of 123 rural banks, for example, has a total deposit base of $16 mn, mobilized mainly from the savings of local clients. Relying on this base, the banks have extended $8 mn in loans, some two-thirds of them under $100 each.

This ability of many micro-credit organizations in Africa to mobilize domestic capital is particularly important at a time when both government and donor financing are experiencing severe constraints. Moreover, institutions that can provide both credit and savings services are often in a better position to meet their clients' needs. The UNDP-WWB study found that 85 per cent of the groups it inventoried provided some type of savings service — a higher rate than among micro-credit institutions in Latin America and other regions. Such a strong emphasis on savings comes despite the fact that many NGOs in Africa are legally prohibited from mobilizing deposits, and must rely more on government or external funding for their credit programmes.

Besides differing in the extent of their reliance on local savings, micro-credit organizations in Africa also have different approaches to lending, with some focusing more on loans to individual entrepreneurs and others lending mainly to organized groups. A workshop of African micro-finance practitioners held in Mali just before the high-level conference concluded that group and community-based lending seems to work best in the countryside, while individual lending appears more effective in urban areas.

Whatever their particular form of organization or lending, micro-credit organizations have found that it is costly to manage many small loans, often to clients who are scattered across wide rural areas. This is one reason why commercial banks rarely get involved. According to Ms. Hamra Imam, managing director of the People's Bank of Nigeria, which has 274 branches across the country, "Some form of subsidy is necessary when dealing with the poor." Many micro-credit practitioners agree, but stress that subsidies should be a declining element. Improving training and efficiency, simplifying procedures and getting individual clients to form themselves into borrowing groups are ways of reducing costs.

Inevitably, however, micro-credit institutions must charge interest rates far higher than those of commercial banks, often between 2 and 5 per cent per month in real terms. To many clients this difference is irrelevant, since they do not have access to commercial bank credit anyway. Moreover, such interest rates are still significantly lower than those usually charged by private moneylenders.

Links in a network

Another way to strengthen the efficiency and capacity of micro-credit organizations is to build links with larger, more formal financial institutions. According to Mr. José Garson, a senior technical advisor at the UN Capital Development Fund, micro-credit organizations should be seen as part of a broader "financial infrastructure," functioning at the local level as "retailers of credit and savings," with the banks operating as "wholesalers." This provides the local groups with greater financial and technical support, while successful local entrepreneurs who need larger loans can more easily move upward to established banking facilities.

In South Africa, a pilot project of the UN's International Fund for Agricultural Development has established several "village banks", each has established its own links to commercial banks, which provide forms, training, legal fees and other assistance.

Sometimes governments provide essential support. Burkina Faso issued its first-ever government bond in December 1996, for a total offer of CFA 5 bn ($10 mn); the funds thus raised will be placed at the disposal of some 80 local savings and credit associations, NGOs and other programmes operating rural micro-credit facilities.

Textile-making in Burkina Faso: small-scale credit boosts women's economic opportunities.

UNDP/ILO/Crispin

However, many of Africa's legal and financial regulatory systems still do not recognize the specific needs of micro-credit organizations and make it difficult for them to forge links with the banking sector. The workshop in Mali therefore highlighted a number of needed reforms, including abandoning interest rate ceilings, permitting competent NGOs to mobilize savings and increasing the range of formal sector legal structures available to micro-finance institutions. ■

*Credit at the grassroots: African credit unions spur development, by David J. Thompson, Africa Recovery Briefing Paper No. 10, October 1996.

Adequate housing now a human right

Habitat II conference also underscores pressing problems of rapid urbanization in Africa

By **Farhan Haq**
Istanbul

For African leaders, the Second UN Conference on Human Settlements was a crucial test of UN and international commitment to Africa's specific needs, given how pressing shelter and settlement issues are on the continent. Supporters of peace-keeping missions and democratization in Africa, noted Kenyan President Daniel arap Moi, have been "very eloquent. But because human settlement is a basic human right, it is our wish that the same enthusiasm is extended toward poverty reduction and improvement of living conditions."

The 3-14 June conference's main achievement — and its major controversy — was the adoption of housing as a human right, a marked change from previous language simply recognizing shelter as a component of the right to an adequate standard of living. Despite early opposition from the United States, delegates secured a compromise affirming a commitment to "the full and progressive realization of the right to adequate housing."

More rhetoric than reality

The mayor of Accra, Ghana, Mr. Nat Nunoo-Amarteifio, noted that despite all the fanfare, the language on housing rights was more rhetoric than reality for Africans. "A country as poor as mine certainly does not have enough money to provide everybody a house," Mr. Nunoo-Amarteifio said. "We are not Sweden or Denmark. We cannot afford to take a position that would strain our economy."

Similarly, African diplomats privately conceded that the conference's condemnation of forced evictions would have little impact on governmental efforts to eliminate squatter camps. Language in the Habitat Plan of Action allows for some legal evictions in a national context, providing governments leeway to continue to pursue methods to clear out squatters.

Many of the conference's central themes dealt with urban issues of limited relevance to most African cities. Debates on the need to provide services and infrastructure in mega-cities may have significance for Lagos, which is predicted to become one of the world's 10 largest cities over the next 20 years, but for few other African urban centres. Similarly, considerable discussion at Habitat II concentrated on programmes to link cities together technologically to take advantage of globalization.

Professor Mohammed Halfani of the University of Toronto's Centre for Urban Studies said the informal sector — not globalization — is the central force behind Africa's urban economy. Part of the reason for that, he argued, is the dynamism of the informal sector. It is also due to the fact that "Africa is becoming increasingly marginalized by the trend toward globalization," Mr. Halfani warned.

He noted that Johannesburg is the only city in sub-Saharan Africa that seems to fit the picture of an urban centre that could become part of a network of high-technology, computer-linked economies with highly skilled and educated work forces. The rest of the region could easily be left behind.

"We are, by the work of our own hands, destroying our cities and our towns faster than we can build them, through ethnic conflict and civil strife."

The continent did secure one major victory during the conference: keeping the UN Centre for Human Settlements (UNCHS), or Habitat, in Nairobi, and with as much power as before.

The US and some European Union members fought for most of the two-week conference against that possibility. Washington, in particular, sought to have many of the centre's human settlement management responsibilities shifted to the UN Development Programme (UNDP), which the US has claimed can handle them more effectively. For African member states, however, such a move would be tantamount to further marginalization of the region's urban and settlement problems.

Mr. Victor Djomatchoua Toko, Deputy Permanent Observer of the Organization of African Unity's UN mission, said UNCHS should continue to play a central role in mobilizing funding and follow-up to the Istanbul conference. "Human settlement issues are crucial for African countries because of the critical situation we face," added Mr. Rogatien Biaou of Benin, chief negotiator for the African Group at Habitat II. "They are more in deterioration in Africa than anywhere else." To remove functions from Habitat now, the African delegates warned at Istanbul, would condemn Habitat — and quite possibly Africa's specific concerns — to irrelevance.

Ultimately, African diplomats won the right to maintain Habitat in Nairobi with its current workload. But the EU and United States managed to postpone many decisions on follow-up activity, and which bodies would be responsible for them, until next year.

The conference underscored the fact that Africa, as the world's most rapidly urbanizing region with an urban population growth rate of 4.3 per cent, has unique settlement problems. African officials and non-governmental representatives pointed to the dramatic population surge in cities, fueled by wars and structural adjustment policies, that has marked Africa's recent history.

"We are witnessing the largest migration in African history today," said Mr. Wally N'Dow, Secretary-General of Habitat. "This is also the continent where population growth leads to the largest challenge .... It is also the continent where we have not been planning adequately." One example is Sierra Leone, where migration caused by conflict has created a huge population increase in Freetown, its capital. Ms. Florence Dillsworth, Freetown's mayor, said the city's population has grown from just 110,000 people five years ago to more than 1.5 million today. "My city is almost unbearably overcrowded," Ms. Dillsworth said. "We don't have enough accommodations to cope with the crowds. We have squatter settlements all over the place."

Destroyed urban infrastructure

In other centres for war refugees, such as Monrovia, Liberia, and Huambo, Angola, there is also the problem of destroyed urban infrastructure. "We are, by the work of our own hands, destroying our cities and our towns faster than we can build them, through ethnic conflict and civil strife," Mr. N'Dow warned.

For Africa, the consequences of overcrowded cities and decaying infrastructure have been

disastrous. Breakdowns in water and sewage systems have fueled a surge in diarrhoea, with the majority of the 1.8 billion cases reported worldwide in 1995 taking place in sub-Saharan Africa. Health networks as a whole have broken down: in Lusaka, perhaps one out of every eight people, in a total population of 1 million, may be infected with HIV, according to Dr. Carolyn Stephens of the UK's Centre for Hygiene and Tropical Diseases. The record is no better for education or economic opportunity: about half of Africa's urban residents are illiterate, while 41 per cent live below the poverty line.

Rapid urbanization and the lack of sufficient housing has resulted in millions of Africans living in shanty towns.

Cities ranging from Dar es Salaam, Tanzania, to Accra expand dramatically as they take in thousands of refugees each year due to economic and political tensions. "Too many people come in because of migration from rural to urban areas, and because of political or economic hardship," said Mr. Eric Kashambuzi, senior programme manager for UNDP's Habitat II bureau. "You get refugees crossing the international borders. The informal sector mushrooms. We don't have the capacity to deal with all that."

An immediate consequence of such rapid urban growth has been the surge in Africa's urban informal sector. "In sub-Saharan Africa, the urban informal sector is estimated to employ over 60 per cent of the urban labour force," says Ms. Katherine Hagen, Deputy Director of the International Labour Office (ILO). "Many of these jobs are poorly remunerated, unsafe and of low productivity."

Certainly, many of the jobs available in the urban sector can be low-paying and arduous (such as food vending), unpredictable (street selling or shoe shining) or dangerous (drug trafficking and prostitution). But some African mayors are convinced that the informal sector may also be the engine for the region's economic dynamism.

Urban migration can have benefits

Accra's mayor, Mr. Nunoo-Amarteifio, said that while urban migration brings problems, it is also potentially "a migration of genius" which can ultimately lead to greater development. Of the newcomers streaming into the urban informal sector, he said, "If you don't see them as social outcasts, you have a chance of achieving something. If you are not careful, just for technical reasons, a whole lot of people can be branded 'illegal' — those who do not contribute to your civic purse or use a lot of it. Yet these are the people who represent the most vibrant sectors."

Nevertheless, municipal leaders may have little power to decide whom to include or exclude from their budgets. One of the main complaints at Habitat II by African non-governmental organizations (NGOs) and local authorities is that the region's public sector is too centralized and little appreciates the importance of municipal authorities and the informal sector. In many countries, UNDP's Mr. Kashambuzi said, old regulations and laws continue to ensure that few functions are handled at the municipal level.

"The problem is that a lot of policies in Africa have no bearing on the people," added Mr. Mohamed Soumaré, coordinator of the African NGO Caucus at Habitat II. "They do not take into consideration the players who are responsible for the dynamics of urban development." Mr. N'Dow added that many African governments have no way to quantify basic urban needs, such as how many people must be housed or who lives in squatter areas. Commitments by African governments must include building benchmarks and indicators of urban progress, he said.

A special panel of African mayors at Habitat II called outright for greater decentralization so that municipal authorities could have sufficient funding and powers to deal with the strains of urban growth — whether, as Freetown Mayor Dillsworth argued, to grapple with the needs of a war-uprooted population or, as Dakar's Mayor Mamadou Diop contended, to make bureaucracy more efficient. "We are tied by a system that is obsolete, that forces us to consult our governments before we do anything," Mr. Diop said.

One of the more dramatic initiatives for Africa at the Istanbul conference was mooted by African mayors themselves: they called for local authorities to conduct direct talks with the World Bank and International Monetary Fund, and unite with other mayors in seeking direct links with each other and with the UN. A declaration by the World Assembly of Cities and Local Authorities embraced that concept, which was also noted by the conference's Partnership Committee.

Popular participation is vital

As Mr. Nunoo-Amarteifio put it: "For us, decentralization is an imperative of our own history. If you don't bring as many people as you can into government, you are doomed."

Mr. N'Dow said the impact local authorities made at Habitat II was one of the major results of the conference. "For local governments to work hand in hand with central governments is a sine qua non," he said. The United Nations system, he argued, must become more prepared to deal with local leaders directly.

"As in all UN global conferences, real success will be measured over the years by the degree to which participants in Habitat II live up to what they commit themselves to in Istanbul," said UN Secretary-General Boutros Boutros-Ghali at the conference. For Africa, there may be more immediate tests of the commitments made at Habitat II.

"Africa is going to be the most urbanized, and urbanizing, continent in the next century," said Mr. Nunoo-Amarteifio. "If we fail, we are going to develop some of the worst living arrangements ever created by humankind." ■

Anti-poverty solidarity: the Southern African way

by Djibril Diallo

"The rights enshrined in our new constitution will be empty and our democracy will remain fragile if they do not bring with them improvements in the lives of people, especially of those who bear the burden of poverty and inequality."

That is what South African President Nelson Mandela told a group of senior international journalists who traveled to his country to learn about nationwide efforts to eradicate poverty. The visit coincided with the International Day for the Eradication of Poverty — 17 October — which was established by a UN General Assembly resolution.

The 17 October commemoration had special meaning because it took place during the International Year for the Eradication of Poverty, also declared by the General Assembly. To mark these important occasions, my colleagues from UNDP's Division of Public Affairs and I invited four teams of about 10 representatives of the international media to travel to four continents to see for themselves how people are struggling to overcome the worse aspects of poverty. One group went to Peru and Bolivia, another to Yemen and Djibouti, the third to Croatia, and the last group to Mozambique and South Africa.

I led the team that traveled to Africa. The group included reporters from such diverse media as *The New York Times*, the *Philadelphia Daily News*, the *Dallas Morning News*, *The Courier Journal* of Louisville, Kentucky, *Le Soir* of Belgium, the German Press Agency, the Pan-African News Agency and the South African Press Association.

Without a doubt, the trip's highlight was our private meeting with President Mandela at his residence in Johannesburg. All the journalists were struck by his openness and candour in responding to their questions. Mr. Mandela talked to them about the steps his government is taking to improve education, provide nutrition services for school children, broaden access to free health care for pregnant mothers and children, and repair and build infrastructure in both rural and urban areas.

The day before we met with Mr. Mandela, we drove to a black township called Kgotsong near Bothaville, about a three hours' drive from Johannesburg. We were all impressed by a local women's initiative to solve one of the biggest challenges facing South Africa today: a housing crisis which has left 7 million South Africans without adequate shelter. That is about the same as the population of my country, Senegal.

"I never thought that I would own a house like this," Gladys Mpitso told us from the living room of her new home. She recalled a day six months earlier when a handful of women had helped her drag her belongings into the cement building. It has three bedrooms, a separate kitchen and a bathroom — a far cry from Gladys' last home, a dilapidated, single-room shack made from discarded lumber and corrugated tin. That dwelling was cramped, but still housed three generations of her family. Shack-dwellers in Kgotsong are not unlike millions of other South Africans who live in impoverished squatter camps, lacking electricity, running water or proper sewerage. Their "homes" offer little protection from the elements.

Our group of journalists and two members of UNDP's office in South Africa surrounds President Nelson Mandela and his Minister of Welfare, Ms. Geraldine Fraser-Moleketi.

Gladys owes her new home to an organization that she put together with her neighbours, the Kgotsong Housing Development Association. The members — about 100 — have already built 28 houses with their own hands. Most members are women because many of the community's men are away looking for jobs in distant gold mines or in Johannesburg.

It took only five days for Gladys and four other women to build a three-room house from scratch. They need only some technical advice from a qualified architect, usually a man who donates his time. On average, the houses they build cost each family about 11,000 rand, a fraction of the 45,000 rand it would have cost if built by commercial contractors.

The resilience of the people of Kgotsong brought to mind another praiseworthy bootstrap effort across the border in Mozambique. The people of the small village of Cassupe, in the country's northern province of Tete, are rebuilding their homes. They came to the area after having spent 10 years in refugee camps in Malawi. Nason Manase, the village chief, told us that people started coming back home when they saw the changing face of the country in the aftermath of the civil war. Many were confronted with the dual problem of securing adequate shelter and finding a way to earn a livelihood. As in South Africa, the assistance provided by organizations such as UNDP was only a supplement to what the villagers had already done themselves. Today Cassupe has become a neat row of thatched-roof huts, and there's even a local market.

UNDP's Resident Representative in Mozambique, Emmanuel Dierckx De Casterle, told the journalists at a briefing that initiatives like the one in Cassupe are only one example of how UNDP and communities everywhere are working together on grassroots initiatives.

Both De Casterle and David Whaley, the UNDP Resident Representative in South Africa, agree that "bottom-up" action may be the key to development in the future. Such action has worked for people like Gladys Mpitso. It can also work for people in nearly every other country of the world.

**The African Baobab is one of the world's hardiest trees, thriving in even the most arid environment. It is also the tree under which some Africans traditionally meet to decide issues of common concern.*

AFRICA AGENDA

FORTHCOMING EVENTS

13-15 January, Washington, DC, USA. International Development Conference: The New Face of Development. Contact: Kathy Morrell & Associates Inc, P.O. Box 11276, Alexandria, VA 22312; Tel: (703) 642-3628; Fax: (703) 941-4299

20-24 January, Brazzaville, Congo: Conference on Democratic Institutions and Peace in Central Africa. Contact: UN Standing Advisory Committee on Security Questions in Central Africa, Tel: (212) 963-2379; Fax: (212) 963-1121

2-4 February, Washington, DC, USA: Microcredit Summit. Contact: RESULTS Educational Fund, 236 Massachusetts Avenue NE #300, Washington, DC 20002; Tel: (20) 546-1900; Fax: (202) 546-3228; e-mail: microcredit@igc.apc.org

19-22 March, Chicago, USA: 23rd Annual Third World Conference (An Interdisciplinary and Intercultural Conference): "Connecting Theory and Practice for the Emerging Global Changes into the 21st Century". Organized by the Third World Conference Foundation (TWCF) Contact: Program Committee Co-chairs, 1507 E 53rd Street, Suite 305, Chicago, Illinois 60615-4509; Tel: (312) 241-6688; Fax: (312) 241-7898 or (708) 534-4989; e-mail: r-oden@govst.edu

28 April, Washington, DC, USA: Spring Meetings of the IMF/World Bank. Contact: Tel: (202) 623-8357; Fax: (202) 623-4943

28-30 May, Abidjan, Côte d'Ivoire: Annual Meetings of the African Development Bank and Afric[illegible]lopment Fund. The 27 May annual symposium [illegible]s on "Private Sector Development". Contact: Tel: (225) 204818; Fax: 204006

June 1997, Denver, Colorado, USA: The Other Economic Summit '97 — Working Alternatives: A World that Works. Contact: TOES, Suite 3C, 777 UN Plaza, NY, NY 10017; Fax: (212) 972-9878; e-mail: TOES97@igc.apc.org

WHAT'S TAKEN PLACE

5-8 August, 1996, Harare, Zimbabwe: African NGO Networks Caucus: Civil Society ready to restore hope to Africa. Contact: Ezra Mbogori, Tel: (263-4) 721469; Fax: (263-4) 722363

26-27 August, 1996, Addis Ababa, Ethiopia: Meeting of the Economic Committee of the Global Coalition for Africa (GCA). Contact: Mr. Jean-Claude Faure, Tel: (202) 458-4338

2-5 September, Harare, Zimbabwe: World Solar Summit. Contact: UNESCO, Tel: (212) 963-5974; Fax: (212) 963-8014

23-26 September 1996, Kinshasa, Zaire: Tripartite Trade Consultative Meeting held by the ECA's subregional Multinational Programming and Operational Centre in Gisenyi, Rwanda. Contact: The Director, ECA MULPOC, Gisenyi; Tel: (251-1)515827; Fax: (251-1) 514416/515907

26 September, 1996, Amsterdam, The Netherlands: Working Conference on African Commodities. Held by Dutch NGOs. Contact: INZET, Tel: (20) 627-3339; Fax: (20) 627-3839

30 September-4 October, 1996, Geneva, Switzerland. WorldAid '96: A global exposition and conference on international relief. Contact: Ralph Wright, Tel: (516) 475-3322

30-31 October, Ouagadougou, Burkina Faso: Global Coalition for Africa Policy Forum on experiences of supply response: Contact GCA: Tel: (202) 458-4338; Fax: (202) 522 3259

5-8 November, Dar es Salaam, Tanzania: International Investors' Forum: Organized by the UN Industrial Development Organization, Tanzania's Ministry of Trade and Industry, and UNDP. Contact: UNIDO, Tel: (43-1) 21131 6806

29-30 November, London, UK: UN System-wide Special Initiative on Africa: Conference organized by UK-UN Association. Tel: (44-171) 402-9029.

AFRICA BOOKS

Sustaining the Future: Economic, Social, and Environmental Change in Sub-Saharan Africa ed. George Benneh, William B. Morgan and Juha I. Uitto (UN University Press, Tokyo, Japan, 1996; $30, airmail $37)

When Corporations Rule the World by David C. Korten (Kumarian Press, Connecticut, USA, 1995; 378 pages; pb $19.95; hb $29.95)

Multi-Track Diplomacy: A Systems Approach to Peace by Louise Diamond (Kumarian Press, Connecticut, USA, 1996; 182 pages; $19.95)

The Two Faces of Civil Society: NGOs and Politics in Africa by Stephen N. Ndegwa (Kumarian Press, Connecticut, USA, 1996; 148 pages; pb $21.95; cloth $35)

A Commitment to the World's Women: Perspectives on Development for Beijing and Beyond ed. Noeleen Heyzer with Sushma Kappor and Joanne Sandler (Kumarian Press, Connecticut, USA; 1996; 269 pages; $14.95)

Economic Recovery in The Gambia: Insights for Adjustment in Sub-Saharan African ed. Malcolm F. McPherson and Steven C. Radelet (Harvard Institute for International Development, Cambridge, USA, 1996; $30)

Foreign Aid, Self Reliance, and Economic Development in West Africa by R. Omotayo Olaniyan (Greenwood Publishing Group, Connecticut, USA, 1996; 224 pages; $59.95)

Consumers' Update (Kenya Consumer Organization, Nairobi, Kenya, 1996; 22 pages; outside Africa $60/year; within Africa $32/year)

The World Bank and Non-Governmental Organizations: The Limits of Apolitical Development by Paul J. Nelson (St. Martin's Press, New York, USA; 1995; 235 pages; cloth $49.95

Development and Global Governance ed. Roy Culpeper and Caroline Pestieau (The North-South Institute, Ottawa, Canada, 1996; Can $20)

Guidelines for Trade after 2000: How much has been gained in shift to the WTO? by Ann Weston and Ada Piazze-McMahon (The North-South Institute, Ottawa, Canada, 1996; Briefing paper Can $3)

A Fresh Wind in Africa?: Roundtable debates priorities for development by Roy Culpeper and Carolyn McAskie (The North-South Institute, Ottawa, Canada, 1996; Summary paper Can $2)

Human Factor Engineering and the Political Economy of African Development ed. Senyo B-S. K. Adjibolosoo (Praeger, Connecticut, USA, 1996; 208 pages; $59.95)

Ethnicity and Development in Nigeria by Okwudiba Nnoli (UNRISD, Avebury, UK, 1996; 308 pages; £39.50)

Forests and Livelihoods: The Social Dynamics of Deforestation in Developing Countries by Solon L. Barraclough and Krishna B. Ghimire (UNRISD and Macmillan Press, London, UK, 1996; 272 pages; pb £14.99; hb £45)

Prospects for Recovery and Sustainable Development in Africa ed. Aguibou Y. Yansanné (Greenwood Publishing Group, Connecticut, USA, 1996; 384 pages; cloth $59.95)

Agenda for Africa's Economic Renewal: US - Third World Policy Perspectives No. 21 by Benno Ndulu, Nicolas van de Walle and contributors (Overseas Development Council, Washington DC, USA, 1996; 246 pages; $17.95)

Behind the Redline: Political Repression in Sudan (Human Rights Watch, New York, USA, 1996; 343 pages; price not listed)

UNDP Human Development Report 1996 (Oxford University Press, New York, USA, 1996, 229 pages; $18.95)

The African Development Bank by E. Philip English and Harris M. Mule (Lynne Rienner Publishers, Colorado, USA, 1996; 213 pages; $15.95)

Preventing Violent Conflict: A Strategy for Preventive Diplomacy by Michael S. Lund (United States Institute of Peace, Washington D.C., 1996; 192 pages; $14.95)

Growth and Crisis in Côte d'Ivoire by J.C. Berthelemy and F. Bourguignon (The World Bank, Washington DC, USA, 1996; 240 pages; $36.95)

Managing Global Chaos: Sources of and Responses to International Conflict ed. Chester A. Crocker, Fen Osler Hampson and Pamela Aall (United States Institute of Peace Press, Herndon, VA, USA, 1996; pb $29.95; cloth $55)

Promoting Development: Effective Global Institutions for the 21st Century ed. Jo Marie Griesgraber and Bernhard G. Gunter (Center of Concern, Washington DC, USA, 1995; $15.95)

Development: New Paradigms and Principles for the 21st Century ed. Jo Marie Griesgraber and Bernhard G. Gunter (Center of Concern, Washington DC, USA, 1995; $15.95)

The World Bank: Lending on a Global Scale ed. Jo Marie Griesgraber and Bernhard G. Gunter (Center of Concern, Washington DC, USA, 1996; $15.95)

The World Monetary System ed. Jo Marie Griesgraber and Bernhard G. Gunter (Center of Concern, Washington DC, USA, 1996; $15.95)

AFRICA IN BRIEF

New Liberian leader appeals for international support

Disarming and demobilizing combatants and reintegrating them into society is among the major challenges to be addressed by the Liberian National Transitional Government in the coming months if the Abuja peace agreement is to be finally and successfully implemented, said Ms. Ruth Perry, who chairs Liberia's Council of State and is Africa's first female head of government.

Noting that her selection to lead the Liberian government was "a recognition of the active involvement of Liberian women in the peace process," Ms. Perry told the UN General Assembly in October that resolution of the six-year-long conflict was a challenge not only to her and her countrywomen, but to all women in Africa and the world.

"Our leadership is challenged with the difficult tasks of pursuing national reconciliation, reunification, repatriation and resettlement of refugees and internally displaced persons, and the creation of an enabling environment for the holding of free and fair elections by May 1997," she said. An urgent first step is to "disarm our children and redirect their lives," as well as to address the "immense suffering" the war has inflicted on the Liberian people, Ms. Perry stressed.

The Liberian leader appealed for assistance to enable the deployment of additional troops to sustain the new focus on disarmament and demobilization, and for the rebuilding of educational institutions, especially those providing vocational and technical training. She also said that an independent electoral commission must be established to conduct the elections under international supervision.

UN/ Milton Grant

Ms. Ruth Perry of Liberia

Ms. Perry expressed confidence that with international support, her government would succeed where earlier efforts to achieve peace had failed. "Despite some signs of retrogression, our timely intervention and appeals have been heeded, thus averting derailment of the process," she said. ■

UNIDO to help revitalize African industry

A major initiative to enable African countries "to take their place among the newly industrialized nations of the 21st century" was launched on 23 October in Abidjan, Côte d'Ivoire, in the presence of heads of state, ministers of industry and business leaders from around the continent.

Sponsored by the UN Industrial Development Organization (UNIDO), the Alliance for Africa's Industrialization (AAI) aims to strengthen the weak industrial base and help African industries capture a bigger share of global markets. Africa's economic transformation will require "a major shift" from a predominantly agricultural economy to one with a large and growing industrial sector, said UNIDO Director-General Mauricio de Maria y Campos at the Alliance's launch.

Africa's share of global manufacturing value added fell to 0.3 per cent in 1994, from 0.4 per cent in 1970, Mr. de Maria y Campos noted. To counter this trend, the Alliance aims to develop

Maternal mortality: shrouded in a 'conspiracy of silence'

By ***Margaret A. Novicki***

More than 600 women die in pregnancy or childbirth in sub-Saharan Africa every day — or 219,000 a year — compared to eight a day, or 3,000 in Europe. This startling fact, plus the finding that 20 per cent more women worldwide than previously thought, or 585,000, die each year of maternal causes, are among the key issues addressed in UNICEF's *Progress of Nations 1996* report. In its fourth year of publication, the report measures countries' progress on the goals agreed to at the 1990 World Summit for Children.

While the 1996 edition, in examining trends in maternal mortality and morbidity, concentrates on women as women rather than as protectors of children, it also points out that the implications of these trends for children are significant. About half of infant deaths occur in the first month of life, most of those in the first week, while many lives could have been saved by safe births and appropriate care in pregnancy and childbirth. There is therefore "a considerable overlap" between action needed to protect women and that needed to protect newborns.

Shrouded in "a conspiracy of silence," women's lack of access to modern obstetric care has meant that over 140,000 pregnant women worldwide die of haemorrhaging; about 75,000 die from self-inflicted abortions; another 75,000 die in the convulsions of eclampsia; 100,000 die of sepsis infections from an unhealed uterus or retained placenta; and another 40,000 die from obstructed labour. For every woman who dies, an additional 30 incur hidden injuries, infections and disabilities which often go untreated and cause lifelong, debilitating pain.

The Progress of Nations notes that little attention traditionally has been given to maternal mortality and morbidity because they are seen as a "women's problem" and women are conditioned "not to complain, but to cope." The powerlessness of poor women in many societies causes them to suffer in silence rather than defy cultural norms and traditions, some of which contribute to pregnancy's costly toll.

Calling maternal deaths both "a tragedy for individual families" and "an indicator of the wider tragedy of neglect" of women's lives and needs, UNICEF notes that beyond simply improving health in developing countries via prevention and awareness campaigns, priority must be placed on providing every pregnant woman with access to modern obstetric care in a health unit or hospital.

While it is important to put resources into high-quality family planning and prenatal care, proper training of birth attendants, and the identification of high-risk pregnancies, these measures alone will have little impact on the overall death toll if modern care is not available on time to the 15 per cent of pregnancies that require it.

UNICEF stresses that such care is affordable even in the largest and poorest nations, which usually have health units and district hospitals that, with minimum upgrading, can provide needed obstetric care. Reducing maternal deaths and injuries, the report says, is "therefore not a matter of possibilities but of priorities." At the end of the 20th century, the world is guilty of "a colossal failure of imagination" if it fails to address this key health issue. ■

African-generated industrial development strategies to address such problems as low industrial output, food insecurity, unemployment, poverty and environmental degradation.

"Industrialization is more than an engine of economic growth, it is also the catalyst for the development of technologies, skills and capacities," Ivorian Prime Minister Daniel Kablan Duncan told the meeting.

Building a strong agro-industrial base which uses Africa's comparative advantage in natural resources is the first step. The meeting called for a special emphasis on linking industry and agriculture in order to increase local value added, and also boost employment and food security. The Alliance will build partnerships among countries, development and financial institutions, and the private sector, and mobilize technical assistance to promote industrial growth, competitiveness and technical capacity.

The Alliance is the product of extensive consultations between UNIDO, the Conference of African Ministers of Industry, the Economic Commission for Africa, the Organization of African Unity (OAU), the African Business Round Table, and private-sector representatives, among others. ■

Obituaries

Mohamed Amin, Kenyan photojournalist

Photojournalists, especially those in television, rarely become widely known. But Mohamed Amin was feted by presidents and prime ministers (including Mr. George Bush and Mrs. Margaret Thatcher) for a brilliant career that began well before he relentlessly tracked down and captured on film the "rumoured" famine in Ethiopia in November 1984, and sparked an unprecedented international relief effort that led to the establishment of a special UN office in 1984-86. "Mo," as he was called, had in fact a life-long fascination with Ethiopia. In 1991, he lost an arm in the explosion of an Ethiopian armoury while covering the aftermath of the fall of President Mengistu Haile Mariam, and his death, ironically, came when the plane bringing him back from an assignment in Ethiopia was hijacked and crashed off the Comoros on 23 November 1996. He was 52.

Cameraps

Claude Ake, Nigerian political scientist

Claude Ake, 57 a widely published and outspoken political scientist, died on 7 November 1996 in a plane crash near Lagos. He had just presided over a national workshop on conflict resolution in Africa, held in Port Harcourt at the Centre for Advanced Social Science, of which he was the founder and Executive Director. He authored A Political Economy of Africa; The Political Economy of Nigeria; *and* Democracy and Development in Africa, *the latter book published this year. Mr. Ake graduated from the University of Ibadan and earned his Ph.D from Columbia University in New York. He received many international fellowships and awards, including from the Rockefeller, Ford, MacArthur and Brookings foundations, and also received the National Merit Award, Nigeria's highest academic prize. He held various teaching posts, including at Yale University at the time of his death, and was a consultant to the UN Economic Commission for Africa. He was also a former president of the Council for the Development of Social Research in Africa (CODESRIA), based in Dakar.*

Commonwealth launches new investment fund

A $60 mn fund to invest in newly privatized companies, new ventures and small or medium-sized private sector businesses in Africa has been set up by the Commonwealth Secretariat and the Commonwealth Development Corporation (CDC), the UK development finance institution.

Launched by President Nelson Mandela of South Africa in London in July, the Commonwealth Africa Investment Fund (COMAFIN) will channel investment to Africa's 19 Commonwealth countries and is the first in a planned series of regional funds. Investments by COMAFIN will seek to make commercial returns as well as contributions to development. It aims to stimulate the flow of medium to long-term direct investment funds to Africa that avoid the volatility of portfolio investment. Initial investors include the Commonweatlh Development Corporation, and the investment agencies of Malaysia, Singapore, South Africa and Zimbabwe. Additional finance will come from money markets. ■

Over 60 parliamentarians from 37 African countries attended a Parliamentarians for Global Action emergency strategy session on the Great Lakes crisis on 4 December at UNICEF House in New York. Above, Kenyan MP Raila Odinga (seated between fellow Kenyan MP Kipruto Kirwa and Ms. Opah Rushesha, Tanzania's Deputy Minister for Information, Posts and Telecommunications) makes a point during discussions.

Difficult struggle against malaria in Africa

Malaria control remains "vastly underfunded," although it is one of the deadliest and most debilitating diseases in Africa, said a recent UN Secretary-General's report. The inclusion of malaria control in the UN System-wide Special Initiative on Africa aims to remedy this situation and also improve coordination among various anti-malarial efforts. Each year, malaria causes 1.5-2.7 million deaths worldwide, and makes 300-500 million people fall sick. About 90 per cent of all cases are in Africa, particularly affecting children under five and women in their first pregnancy. Malaria is responsible for nearly 25 per cent of child deaths in Africa, 20-30 per cent of out-patient visits and 10-15 per cent of hospital admissions.

Despite earlier progress against malaria, numerous strains have become resistant to anti-malarial drugs, while deteriorating health and sanitation and civil conflict have encouraged the persistence of the disease. Field tests of a low-cost vaccine have been disappointing so far. But in Burkina Faso, Gambia, Ghana and Kenya, tests of bed-netting impregnated with anti-mosquito repellent have cut mortality in children under five by 17-33 per cent. ■

AFRICA WATCH

Kofi Annan, new UN Secretary-General

from page 1

but of "real people with basic needs: food, clothing, shelter and medical care."

"Let us ensure," Mr. Annan said, "that the resources and facilities of the United Nations system are effectively channeled towards those who need them most, those whom globalization has left behind."

Mr. Annan, 58, the first UN staff member to become Secretary-General, has held several positions in management and administration over more than 30 years, including Assistant Secretary-General for Programme Planning, Budget and Finance, Controller of the UN, Assistant Secretary-General in the Office of Human Resources Management, Security Coordinator for the UN system, and Director of the Budget. Appointed to head the Department of Peace-keeping Operations (DPKO) in March 1993, Mr. Annan was sent as Special Representative of the Secretary-General to the former Yugoslavia and Special Envoy to the North Atlantic Treaty Organization at the end of 1995 and returned to DPKO in March 1996.

Africa's crises were among the issues the new Secretary-General addressed in his first press conference. Stressing that "the only solution we should seek" is political, not military, Mr. Annan urged the region's leaders to resolve its crises "through political discussion."

"When we look at what is happening in the Great Lakes region, the crisis in Liberia, the situation in Sudan, the ongoing conflict in Angola," he said, "we also have to realize that if we do not put an end to these conflicts, economically not much can be done."

The Secretary-General said the UN will need to channel its resources effectively to "those governments that need assistance most" and "to coordinate our efforts a bit more effectively than we have done so far." But, Mr. Annan said, "the Africans also have their part to play."

UNITED NATIONS

UK to quit UNIDO in 1998; Germany may follow suit

The UN Industrial Development Organization (UNIDO) faces an uncertain future after the United Kingdom said it intends to quit the organization at the beginning of 1998. Germany, its second largest contributor, may also follow suit. The loss of support from these countries, on top of the withdrawal of the US, as of 1 January 1997, may signal an irreparable weakening of the only UN specialized agency dedicated to promoting industrial development in developing countries, especially in Africa. UNIDO just recently launched the Alliance for Industrialization in Africa (see page 30).

Expressing "shock and distress" at the UK government's announcement, UNIDO Director-General Mauricio de Maria y Campos said his agency had undergone a far-reaching reform process, yet lack of progress in reform in the UN system was being used as Britain's key argument for withdrawal from UNIDO. Britain contributes 7.4 per cent of UNIDO's annual budget of $78 mn, but now says the organization's work should be carried out in a "broadly based UN agency" rather than in a separate institution.

Japan, UNIDO's main contributor, said it would be fairer for Germany to stay in the organization and ensure the reform process continues rather than withdraw its support. China added that withdrawal would not only "strike a fatal blow" to UNIDO, but also have "adverse effects on the interests of Germany itself" and Mr. de Maria y Campos felt "great concern that the US isolationist malaise as regards development assistance is becoming contagious at the multilateral level. ■

REGIONAL COOPERATION

Project to link Mozambique and South Africa

The Maputo Development Corridor Project (MDCP) was launched in December with the award of a multi-million dollar contract to Trans-African Concessionaries, a private consortium of South African, Mozambican and foreign companies, to build road and links between Mozambique and South Africa.

The tender provides for the route between the two countries to be upgraded at a cost of more than $200 mn over three years, and then to be maintained at a cost of $600 mn over 30 years. The deal represents the first build-operate-transfer (BOT) project in Mozambique or South Africa. The BOT concept allows for the private sector to raise funds for public initiatives, build and operate them at a profit and then hand them over to the state at the end of the contract.

The MDCP aims to re-establish the strong flow of goods and services that existed between the two countries in the 1970s by creating an integrated infrastructure network along the corridor. In addition to road rehabilitation, the massive project involves the modernization and development of rail, telecommunications and trade links, including enlarging the capacity of Maputo port. President Mandela said the Corridor would open up "substantial new investment opportunities" in the mining, manufacturing, agricultural and tourism sectors. ■

HUNGER PROJECT

Chief Bisi Ogunleye shares 1996 Africa Prize

Chief Bisi Ogunleye, a grassroots women's leader in Nigeria, is a co-winner of the 1996 Africa Prize for Leadership for the Sustainable End of Hunger. She shares the $100,000 prize, awarded by The Hunger Project, a US-based international non-governmental organization, with Malian ex-President Amadou Toumani Touré (see page 13) A former agriculture minister, Chief Bisi founded the Country Women's Association of Nigeria (COWAN) in the early 1980s. It now includes nearly 1,400 women's groups in eight Nigerian states, providing credit to rural women, training in business management, entrepreneurship and small-scale technology. ■

APPOINTMENTS

Mr. David MacDonald, Canadian Member of Parliament from 1968-80, is the new president of Partnership Africa Canada (PAC), Canada's leading Africa-centred non-governmental organization, which he helped found in 1986. As Canadian Emergency Coordinator for the African famine in 1984-86, he was instrumental in mobilizing Canadian and international support for the relief effort. An expert in the political and humanitarian realities of the Horn, from 1986-88 he was Ambassador to Ethiopia, Sudan and Djibouti, and special representative to the Organization of African Unity and the Economic Commission for Africa.

Andrew Balfour